



### 46<sup>TH</sup> GEF COUNCIL MEETING HIGHLIGHTS: SUNDAY, 25 MAY 2014

On Sunday morning, participants convened in plenary for the opening of the 46th meeting of the GEF Council. They considered annual monitoring and review, long term strategy for the GEF and summary of the negotiations of the Sixth Replenishment of the GEF Trust Fund. In the afternoon participants addressed the proposal for the system of transparent allocation of resources (STAR) for GEF-6, co-financing policy, annual performance report 2013 main findings and recommendations and management response and annual country portfolio evaluation report 2014 and management response.



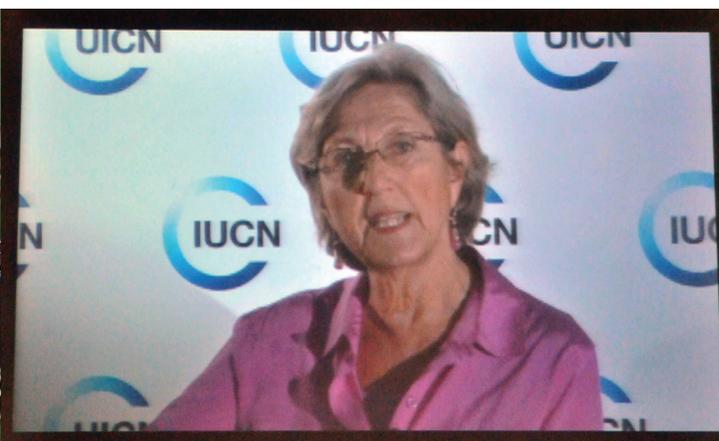
46th GEF Council participants gather in plenary in the Moon Palace Arena conference center in Cancún, Mexico

### OPENING OF THE MEETING

Naoko Ishii, Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), opened the 46th meeting of the GEF Council welcoming participants to the last council meeting of the GEF-5. She highlighted the GEF-6 replenishment of US\$ 4.4 billion from 31 countries, as a “significant success.” She noted that the GEF 2020 strategy lays out how the GEF can play a critical role in helping to tackle some of the world’s pressing issues in coming years.

Ishii welcomed two new GEF Project Agencies: Development Bank of South Africa (DBSA) and IUCN, International Union for Conservation of Nature. Julia Marton-Lefèvre, Director-General, IUCN (via video link) and Mohale Rakgate, DBSA, expressed appreciation for their organizations’ accreditation and looked forward to working with the GEF.

The Council elected Juha Pyykko (Council member for Estonia, Finland, and Sweden constituency) as Co-Chairperson and adopted the agenda (GEF/C.46/01/Rev.03) after agreeing to include accreditation of the new agencies under the agenda item on other business.



DBSA and IUCN joined the GEF as new accredited project agencies. Leftt, Mohale Rakgate, DBSA, and Naoko Ishii, GEF CEO and Chairperson. Right, Julia Marton-Lefèvre, Director General, IUCN, who addressed the council via a video message.

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L-R: Elected Co-Chair Juha Pyykkö, Finland; Naoko Ishii, GEF CEO and Chairperson; and William Ehlers, GEF Secretariat

## ANNUAL MONITORING REVIEW (AMR) FY13: PART II

Ramesh Ramankutty, GEF Secretariat, introduced the agenda item (GEF/C.46/04), *Annual Monitoring Review (AMR) FY 13: Part II*. Several council members expressed appreciation for the AMR data, welcoming progress on gender mainstreaming. Other Council members urged for a supplementary analysis on obstacles to project implementation and on the performance of multi-focal area projects. Concern was expressed over delays between GEF CEO endorsement and project implementation.

Responding to a comment on Protected Areas (PAs), the GEF Secretariat explained that the GEF is working to ensure long-term financial sustainability of PAs by supporting, for example, national implementation of payment for ecosystem services and gate fees. On project disbursement delays, one Council member highlighted that countries have different procedures for receiving funding, meaning that the problem is not necessarily at the GEF level.

Ramankutty presented the item (GEF/ME/C.46/05) *Management Response to the Annual Country Portfolio Evaluation Report 2014* acknowledging the caveat of the Secretariat's limited participation in the Country Portfolio Study (CPS) process.

## LONG-TERM STRATEGY FOR THE GEF – GEF 2020

The Council adopted the decision requesting the Secretariat and GEF agencies to continue providing two AMR reports per year and to expedite the preparation of all overdue projects.

Ishii introduced (GEF/C.46/10) *Long-Term Strategy for the GEF – GEF 2020* document noting that the current draft builds on discussion during 45th GEF Council meeting in November 2013 and comments received since. She noted that articulating GEF's strategic vision to 2020 is intended to provide a goal beyond four-year funding cycles and to enable GEF to contribute effectively to the global discussion on environmental issues in the context of international sustainable development and climate change agendas.

Most Council members endorsed the draft strategy, but some raised the need for more prominent references to several issues, including: the socio economic benefits associated with environmental action and how the Strategy would link to the

post-2015 development agenda; private sector engagement; the involvement of key ministries, to ensure environmental policies and programmes are mainstreamed; and innovative financing approaches.

One participant noted the GEF needed to identify its strategic advantage in a more crowded international financing environment. A CSO representative welcomed the strategy broadly but called for greater recognition of CSOs' key contribution to GEF objectives by engaging society as a whole. Many Council members noted and supported the draft strategy's enhanced gender perspective. Many participants called for the strategy to be a living document which would be reviewed annually for currency and relevance.

Ishii welcomed the feedback and noted that the Secretariat would incorporate the comments received and seek endorsement of a final draft strategy by mail. Ishii added that the Secretariat would separately seek agreement to institutionalising the 2020 strategy through regular discussion and review.

## SUMMARY OF NEGOTIATIONS OF THE SIXTH REPLENISHMENT OF THE GEF TRUST FUND

Ramankutty introduced the item (GEF/C.46/07), *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund*. He reported that replenishment negotiations had concluded successfully during the 4<sup>th</sup> meeting on April 16, hosted by Switzerland in Geneva and said the next step for the Council was



Jozef Buys, Belgium



Winston Thompson, Fiji



Ximena George-Nascimento, Chile

to take note of the summary and to endorse 3 attached annexes and forward the replenishment package to the Assembly for consideration.

One Council member called for future replenishment discussions to be more transparent and for the enhanced recipient country participation. Some Council members noted, with concern, that the needs of SIDS had not been reflected in the replenishment process.

Welcoming increased contributions from donor countries to the Trust Fund, as well as contributions from recipient countries, a CSO representative supported by a Council member noted however, that the replenishment was not sufficient.

Some Council members said proposals to increase the weight of the GDP per capita index to 0.08 did not reflect the reality of some countries in terms of vulnerability, economic development and poverty.

Acknowledging these concerns, Ishii observed that the replenishment was the result of “very hard work” over 18 months and was the best outcome that could be produced. She said approval for the replenishment would be sought from the World Bank in its capacity as Trustee. The Council adopted the decision.

## PROPOSAL FOR THE SYSTEM OF TRANSPARENT ALLOCATION OF RESOURCES (STAR) FOR GEF-6

Ramankutty presented the item (GEF/C.46/05), *Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6*. He requested the Council to adopt the proposal to update STAR for GEF-6, which implies: increasing the weight of the GDP per capita index to 0.08; lowering the ceilings imposed on each focal area to 10 percent; and increasing the aggregate floor to US\$6 million for LDCs.

Council members from the Latin American region, supported by Council members from SIDS, reiterated that the GDP increase did not reflect their socio-economic realities. While expressing appreciation for the increase of resources for LDCs, they called for new indicators and a more refined analysis on how the use of the GDP index can benefit Latin America in particular. GEF-CSO Network cautioned against maintaining only five percent of resources for LULUCF projects during GEF-6.

Ishii acknowledged some of the shortcomings raised during discussions but requested Council members to respect commitments assumed under the GEF-6 replenishment process. The Council adopted the decision.

## CO-FINANCING POLICY

The GEF Secretariat introduced the item (GEF/C.46/09) *Co-financing Policy*, outlining the proposed policy’s three elements: first, to provide clarity in definitions and approaches to promoting effective co-financing; second, to indicate a level of ambition for the overall GEF portfolio to reach a ratio of leveraged funds being at least 6 times the level of GEF resources; and third, to create expectations for greater co-financing for upper middle income countries that are not SIDS. He indicated the proposed approach emphasizes the importance of partnerships, notably with the private sector, in achieving GEF’s objective of encouraging higher levels of co-financing. He noted the policy draws on analysis conducted for the GEF-6 replenishment discussions and work done for the Fifth Overall Performance Study of the GEF (OPS5).

In the ensuing discussion, several Council members expressed concerns that the 6 to 1 ratio, if applied inflexibly, would make it more difficult for projects in LDCs to obtain GEF support. Some Council members warned expectations of an even higher ratio for upper middle income countries could see some projects failing to seek GEF financing. Other Council members emphasized the ratio relates to the entire GEF



Josceline Wheatley, UK

portfolio and would not apply to any specific country or project. Several Council members noted the proposed ratio is a lower level than that achieved in GEF-4 and GEF-5 and, in some cases, underlined that upper middle income countries are able to attract much higher levels of co-financing. A Council member called for AMR to expand its monitoring of co-financing commitments and to identify key barriers. Several Council members noted that one of the GEF’s core purposes was to help meet incremental costs of addressing global environmental concerns and stressed this is insufficiently covered in the proposed policy.

In response, Ishii acknowledged concerns about the ratio but highlighted the purpose is to seek to maximise GEF resources’ impact and to strengthen partnerships. She indicated the Secretariat would prepare a revised draft decision for Council’s consideration.



L-R: Ramesh Ramankutty, Neeraj Kumar Negi, and Robert van den Berg, GEF Secretariat

## ANNUAL PERFORMANCE REPORT 2013 MAIN FINDINGS AND RECOMMENDATIONS AND MANAGEMENT RESPONSE

Van den Berg introduced the item (GEF/C.46/02) “*Annual Performance Report*” explaining that it provides a detailed account of the results of 646 completed projects, as well as processes that may affect results.

The GEF Secretariat presented the report’s conclusions, *inter alia*, noting that 79% of projects and 71% of funding in the APR 2013 cohort have outcome ratings in the satisfactory range but projects in Africa SIDS, LDCs and fragile states are less likely to have a satisfactory rating. He observed that, over the past eight APR Year cohorts, there has been a substantial increase in the ratio of promised and actual co-financing. He noted that an increased focus on co-financing during the project appraisal process enhances co-financing but may also cause delays in the project cycle.

The GEF Secretariat presented the *Management Response to the Annual Performance Report* welcoming the report’s conclusions and noting that the sustainability ratings for both biodiversity and multi-focal projects are on average lower than for other focal areas.

During the ensuing discussions questions included: how the Secretariat would address project cycle delays; reasons for the decrease in satisfactory performance of projects assessed; delays in project approval; and discrepancies between World Bank and GEF project outcome ratings.

In response, van den Berg observed that, on project performance, the World Bank applied a different methodology and had become more severe in their project rating. He said STAP needs to think through how to analyse multi-focal area projects.

The GEF Secretariat noted that the level of project proposals has decreased, bringing the stream of proposals to a more manageable level. He explained that the portfolio of proposals is not the same in terms of agency mix and this had led to a drop in performance. On the World Bank rating, he explained,

since 2011, the Bank had started to be more stringent on how they apply the evaluation criteria. The Council adopted the draft decision requesting the GEF Independent Evaluation Office: to continue its work on extending coverage of reporting on outcomes to earlier periods; ensuring consistency in reporting on outcomes; finalization of the terminal evaluation guidelines; developing its approach to reporting on programs; and streamlining of the management action record process.

## ANNUAL COUNTRY PORTFOLIO EVALUATION REPORT 2014

Van den Berg, introduced the item (GEF/ME/C.46/05) *Annual Country Portfolio Evaluation Report 2014*. He provided a synthesis of CPSs and Country Portfolio Evaluations (CPEs) in the Sub-Saharan Africa region focusing on two CPEs (Tanzania and Eritrea) and one CPS conducted in Sierra Leone. On CPS, he called attention to the problem of the Secretariat’s absence in the process at the local level, which should be addressed in future. The GEF Independent Evaluation Office provided background on CPS and CPE, outlining some conclusions, notably: confirmation of GEF relevance in promoting an enabling framework for sustainability in the studied countries; a mixed result regarding monitoring and evaluation; and the success of including communities into projects. He noted the need to ensure translated documents in Tanzania, where only 20% of the population speaks English.

The GEF Secretariat presented the item (GEF/ME/C.46/05) *Management Response to the Annual Country Portfolio Evaluation Report 2014* acknowledging the caveat of the Secretariat’s limited participation in the CPS process.

Following discussion the Council adopted draft decisions (GEF/ME/C.46/05) *Management Response to the Annual Country Portfolio Evaluation Report 2014* and (GEF/ME/C.46/04) *Annual Country Portfolio Evaluation Report 2014*, which requests the Secretariat to explore the use of Small Grant Program (SGP) as a means to implement community level activities for Medium Size and Full Size Projects (MSPs and FSPs) and to disseminate information in the relevant national languages.



### 46<sup>TH</sup> GEF COUNCIL MEETING HIGHLIGHTS:

**MONDAY, 26 MAY 2014**

On Monday morning, participants convened in plenary to consider the Work Program, report of the Chairperson of the Scientific and Technical Advisory Panel, the Work Program and budget of the GEF Independent Evaluation office and the report of the second professional peer review of the GEF evaluation function and management response. In the afternoon, participants addressed the GEF business plan and FY15 corporate budget, the GEF Small Grants Programme's: implementation arrangements for GEF-6, relations with the conventions and other international institutions and an update on the Nagoya Protocol Implementation Fund.



Participants at the 46th meeting of the GEF Council

### WORK PROGRAM

The GEF Secretariat introduced the agenda item (GEF/C.46/06), *Work Program*, noting the program includes



Gustavo Fonseca, GEF Secretariat

the last set of full-sized project concepts and a programmatic approach bringing to a conclusion the work of GEF-5.

Several Council members indicated they would provide technical comments on specific projects. Others noted the importance for governments, in particular economic ministries, to be involved early in the project review cycle and called for

GEF to achieve higher visibility in relation to projects. An upper middle-income Council member noted its increased GEF contribution and called for stronger engagement with financial markets.

Ishii welcomed the comments and noted all partners should work to increase GEF's visibility. The Council adopted the draft decision subject to minor amendments to reflect the discussion.

### REPORT OF THE CHAIRPERSON OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL

Rosina Bierbaum, Chair, Scientific and Technical Advisory Panel (STAP), introduced the agenda item (GEF/STAP/C.46/Inf.01), *Report of the Chairperson of the Scientific and Advisory Panel*. She highlighted the STAP's recent work, including several publications, and outlined STAP's forward agenda. She noted STAP would focus on: improving knowledge flows to and from the STAP; enhancing scientific contributions to the GEF's work,



Rosina Bierbaum, Chair, STAP





Mohamed Yahya Lafdal (left), Mauritania



Francisco Gaetani, Brazil

including the social sciences' analysis of relevant sustainable development issues; and prioritizing where STAP's efforts should be targeted, given workloads are increasing. She also suggested STAP can assist GEF with implementing its 2020 strategic direction, including integrated approaches and enhancing climate resilience, and offered to work with the Secretariat to establish criteria for future STAP work agendas.

In the ensuing discussion, Council members welcomed the prospect of STAP contributing to GEF's strategic direction and particularly its potential involvement in integrated approach programs. Some members said GEF should take a cautious approach to streamlining project assessment work, noting the very diverse nature of GEF projects would make that difficult. Other members suggested more resources be provided for STAP to enable it to manage an increasing workload. Some members welcomed STAP potentially working on sustainable development dimensions but others warned that GEF's focus on environmental issues needed to remain paramount.

Bierbaum responded to comments, including by noting that environment was central to their proposed work on sustainable development.

Ishii undertook to retain the critical connection between the GEF's work and scientific analysis. She committed the Secretariat to coordinating closely with STAP and the Council on how STAP could most effectively prioritize its work program.

## WORK PROGRAM AND BUDGET OF THE GEF INDEPENDENT EVALUATION OFFICE (IEO)

Van den Berg introduced the item (GEF/ME/C.46/01/Rev.01), *Work Program and Budget of the GEF Independent Evaluation Office (IEO)*. He highlighted required activities, including the need to: appoint a new director for the 2015 fiscal year; update monitoring and evaluation policies for the GEF-6 period; prepare a four-year work program and budget for GEF-6; and arrange a follow up to the overall performance study (OPS5).

He explained that initially the OPS focused on operational and performance issues but had evolved into comprehensive evaluations that range from impact evidence to performance and organizational issues. He outlined a proposal to continue numbering the OPS but change the name. From the OPS5 the GEF would proceed to the Sixth Comprehensive Evaluation of the GEF (CEG6). He said lower costs for OPS5 had been realized by integrating evidence from regular evaluations into OPS5.

One Council member expressed appreciation for van den Berg's work. Another Council member proposed suspending approval of the budget until discussion on the following peer review had been concluded.

## REPORT OF THE SECOND PROFESSIONAL PEER REVIEW OF THE GEF EVALUATION FUNCTION AND MANAGEMENT RESPONSE

Mary Chinery-Hesse, Ghana, presented the item (GEF/ME/C.46/06), *Second GEF Evaluation Office Peer Review*, observing that the IEO had performed very well over the past ten years. She identified several areas requiring attention, including the need for the IEO to bring the learning dimension of evaluations up to par with the accountability dimension. She said the GEF Secretariat and GEF Agencies had benefited less in terms of learning and pointed out that there is still work to be done to enhance evaluation's utility.

Chinery-Hesse identified stakeholder engagement as an area of weakness. She highlighted the need to align IEO activities to the needs and priorities of stakeholders. Going forward, she underscored "relevance" and "timeliness" as key words for the future and recommended that the IEO engage more meaningfully with the GEF Secretariat and GEF agencies to ensure final products are timely and owned by the GEF network. She said the GEF council should hold more strategic discussions on the IEO work program.

Van den Berg presented *The Management Response to the Report of the Second Professional Peer Review of the GEF Evaluation Function*, thanking the IEO team for their work. He acknowledged that the issue of utility was difficult to address but



Mary Chinery-Hesse, Ghana



Godwin Fishani Gondwe, Zambia



L-R: Jozef Buys, Belgium, in consultations with William Ehlers, GEF Secretariat

partners had been successfully engaged with learning coalitions and looked forward to working with the GEF Secretariat on country portfolio studies.

In the ensuing discussion, one Council member called for developing IT solutions to enhance the evaluation of annual performance reports in order to reduce time pressures. On closing the learning loop, another Council member noted that evaluations are only valuable if the lessons are absorbed by the institution. Another Council member added that the GEF Council and the GEF Secretariat should be engaged in priority-setting noting that the GEF Secretariat tended to view evaluations as something that “had to be done” and not something that they wanted to do. The GEF Council adopted decisions on the work program and budget for the GEF IEO and the peer review of the GEF evaluation function.

intended use of increased resources at the Secretariat, while others inquired about the functioning of integrated approaches under GEF-6. Peter Lallas responded that new resources will be used mainly for staff capacity-building, recruitments, and for improving knowledge management and communication activities.

The GEF Secretariat, noted that decisions on integrated approaches will be brought to the Council for future deliberation. Council members adopted the decision on the GEF Business Plan and FY15 Corporate Budget, which takes note of the business plan and approves a FY15 corporate budget from the GEF Trust Fund of \$24.668 million. In addition, the Council approved a total FY15 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of \$49,600.

## GEF BUSINESS PLAN AND FY15 CORPORATE BUDGET

Peter Lallas, GEF Secretariat, introduced the item (GEF/C.46/08/Rev.01), *GEF Business Plan and FY15 Corporate Budget*. He provided an overview of budget allocation for the fiscal year of 2015 (FY15), the first year of the GEF sixth replenishment (GEF-6) period corresponding to July 2014 – June 2018.

During the discussion, several Council members expressed satisfaction with the future work plan and welcomed the increased funds for STAP. Some requested clarification on the



Peter Lallas, GEF Secretariat

## GEF SMALL GRANTS PROGRAMME: IMPLEMENTATION ARRANGEMENTS FOR GEF-6

William Ehlers, GEF Secretariat, introduced the item (GEF/C.46/13) *Implementation Arrangements for GEF-6, Small Grants Programme (SGP)*. He noted that, for GEF-6, SGP country programmes will be able to select from a set of four multi-focal strategic initiatives, including: Community Landscape and Seascape Conservation, Climate Smart Innovative Agroecology, Low Carbon Energy Access Co-benefits and Local to Global Chemical Management Coalitions.

During discussions, many Council members expressed satisfaction with the results of SGP, notably in the improvement of livelihoods. Another highlighted the importance of SGPs



Anton Hilber, Switzerland



L-R: Gustavo Fonseca, GEF Secretariat; Robert Dixon, GEF Secretariat; Co-Chair Juha Pyykkö, Finland; Naoko Ishii, GEF CEO and Chairperson; and William Ehlers, GEF Secretariat

in post-conflict countries, while cautioning against the risks of mandatory co-financing rates in vulnerable countries. A Council member requested more information on how SGPs could be further channelled to LDCs and SIDS. Noting some cases of “unhealthy competition” for resources during GEF-5, the Secretariat highlighted that countries that have up to \$15 million have no obligation to designate SGPs allocation and it is the better resourced countries under the STAR that will contribute to the SGPs. CSO-Network acknowledged the effectiveness of the SGP in building CSO capacity, but raised concerns about a potential paradox between the GEF2020 strategic goals regarding CSOs the reduced resources for this purpose compared to GEF-5. The Council adopted document (GEF/C.46/13) GEF Small Grants Programme: Implementation Arrangements for GEF-6, which approves the proposed implementation arrangements for country programs of the Small Grants Programme.

## RELATIONS WITH THE CONVENTIONS AND OTHER INTERNATIONAL INSTITUTIONS

On (GEF/C.46/03), *Relations with the Conventions and Other International Institutions*, Kerstin Stendahl, Executive Secretary, *ad interim* of the Basel, Rotterdam and Stockholm Conventions, emphasized that cooperation and coordination among the relevant Conventions and the GEF is vital for efficiently addressing the growing complexity of sustainable development issues.

One Council member requested further information on the status of the Stockholm and Minamata Conventions with respect to the Joint Development Plan. Another Council member suggested that future reports on this issue could focus, for example, on how GEF is planning to coordinate activities with each of the relevant Conventions in the future, as well as on key GEF-related issues during the Conference of the Parties (COPs). Some members noted the importance of “being in tune with the future,” raising concerns over the relationship between the GEF and the recently created UNFCCC Green Climate



Kerstin Stendahl, Executive Secretary, *ad interim* of the Basel, Rotterdam and Stockholm Conventions

Fund with respect to the changing spectrum of climate finance. Ishii acknowledged growing competition on climate finance and underscored that the GEF2020 tries to foster complementarities among global sustainable development mechanisms. The Council adopted the decision, which welcomes the Secretariat’s report and requests the GEF network to continue supporting recipient countries to implement the guidance and national priorities in their GEF programming and activities.

## UPDATE ON THE NAGOYA PROTOCOL IMPLEMENTATION FUND

Gustavo Fonseca, GEF Secretariat, introduced the item (GEF/C.46/12), *Update on the Nagoya Protocol Implementation Fund (NPIF)*. He explained that the NPIF was established to promote the early entry into force and effective implementation of the Nagoya Protocol. He said no new activities under the NPIF would be approved beyond 30 June 2014, as such activities would be funded by the GEF Trust Fund under GEF-6.

One Council member supported by others, noted that the decision was loosely drafted and ventured beyond what was required. She proposed alternative language taking note of good progress made by the GEF Secretariat in managing the NPIF and deciding that currently funded NPIF activities should be able to continue while funding lasted but no later than December 31, 2020. The Council agreed to this proposed approach.



The Exhibition, a collection of profiles of current GEF projects, is giving participating countries, agencies, NGOs and the private sector an opportunity to highlight successful cases, projects and programs.



# GEF Bulletin

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## 46<sup>TH</sup> GEF COUNCIL MEETING HIGHLIGHTS:

TUESDAY, 27 MAY 2014

On Tuesday morning, participants convened in plenary to conclude consideration of GEF Council agenda items, including: appointment of the Director of the Independent Evaluation Office (IEO) and other business. The Least Developed Country Fund (LDCF) and Special Climate Change Fund (SCCF) meeting also took place in the morning. In the afternoon the closing plenary of the GEF Council convened. The Civil Society Forum convened throughout the day.



The dais during the closing of the 46th GEF Council Meeting. L-R: Robert van den Berg, GEF Secretariat; Co-Chair Juha Pyykkö, Finland; Naoko Ishii, GEF CEO and Chairperson; and William Ehlers, GEF Secretariat.

## APPOINTMENT OF THE DIRECTOR OF THE IEO

The GEF Council adopted a decision appointing Juha Uitto (Finland) as the new Director of the GEF's Independent Evaluation Office.

## OTHER BUSINESS

**GEF Project Agencies Accreditation:** Ramesh Ramankutty, GEF Secretariat, introduced the item (GEF/C.46/CRP 01) *Progress Report on Pilot Accreditation of GEF Project Agencies*, observing that Development Bank of Southern Africa (DBSA)

and International Union for Conservation of Nature (IUCN) had received approval from the Accreditation Panel to progress from Stage II to Stage III and that GEF Council was requested to approve initial grant ceilings for IUCN and DBSA.

Several Council members called for a strategic discussion on the accreditation process for new Project Agencies during the next Council session. Naoko Ishii, GEF CEO and Chairperson, acknowledged the ambiguity of past decisions taken by the Council on this matter and the need to agree on a timeline for the accreditation process. She said the issue would be considered during the next Council meeting. The Council adopted the decision.



Juha Uitto (center), Finland, was appointed as the new Director of the GEF's Independent Evaluation Office.



Marit van Zomerén, Netherlands

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A view of the plenary during the last day of the GEF Council meeting

**Dates for future sessions:** The Council agreed to convene the fall session of the GEF Council meeting in 2015 from 20-22 October 2015.

## LDCAF/SCCF MEETING

Ishii opened the meeting and invited Bhuban Karki, Under Secretary, Ministry of Finance, Nepal, to make opening remarks on behalf of the Chair of the LDC Group under the UNFCCC. He noted that, except for South Sudan, the National Adaptation Programmes of Action (NAPAs) process had been completed for the LDCs. He expressed satisfaction with the national adaptation plan process but observed that financing was a major issue. He noted that the LDCAF had grown but additional contributions are needed to address the urgent needs of LDCs, as well as for meeting the estimated cost of full NAPA implementation.

In her introductory remarks, Ishii stressed that it was “critical to avoiding locking in a development pathway that leaves us more vulnerable in the future,” noting that both adaptation and mitigation are urgently required.

Ishii observed that GEF-6 places emphasis on integrating adaptation in key policies, plans and decision-making processes. She noted that, on an operational level, greater private sector engagement would be explored particularly on risk transfer and insurance. Ishii noted that gender inequality may leave women less able to cope with climate change impacts and highlighted proposed strategies including: a gender sensitive vulnerability assessment; improved budgeting to identify activities to address women’s adaptation needs; and improving women’s participation in project development and implementation. She said it was important to recognize that the adaptation programme is built on a solid foundation, is performing well and delivering benefits across regions and sectors. She emphasized the need to maximize complementarities and synergies with other players and instruments, noting that the GEF remains well placed to respond to urgent adaptation needs of vulnerable developing countries and that it can do more to capture and disseminate knowledge to enhance adaptation globally.

The Council then adopted the agenda (GEF/LDCAF.SCCF.16/01/Rev.01).

## GEF PROGRAMMING STRATEGY ON ADAPTATION TO CLIMATE CHANGE FOR THE LDCAF AND SCCF

Robert Dixon, GEF Secretariat, introduced the item (GEF/LDCAF.SCCF.16/03), *GEF Programming Strategy on Adaptation to Climate Change for the LDCAF and SCCF*. He highlighted three strategic objectives: reducing vulnerability of people, livelihoods and physical assets; strengthening institutional and technical capacities for effective climate change adaptation; and integrating climate change adaptation into relevant policies, plans and associated processes.

He observed that demand for LDCAF and SCCF resources remains high and recent progress demonstrates the absorptive capacity of recipient countries.

During the ensuing discussion, Council members welcomed the strategy’s focus on mainstreaming adaptation and the prominence given to gender considerations. Several Council members called for strategic thinking on the GEF’s role within the evolving climate finance architecture. Another Council member recommended that the Secretariat further engage with recipient countries to enhance absorptive capacities.

The CSO Network welcomed the strategy saying it should also aim to plan for risk and build resilience. He called for consideration of the form and function of private sector engagement under the strategy.



Robert Dixon, GEF Secretariat



Caroline Leclerc, Canada



Frank Fass-Metz, Germany

One Council member called for additional categorization between LDCs and upper middle-income countries to enable access to funds for countries which are currently ineligible for LDCF assistance. He also highlighted that serious land degradation in eastern and northern Africa compounds climate change impacts.

The Council adopted the decision.

## PROGRESS REPORT ON THE LDCF AND SCCF

Dixon introduced the item (GEF/LDCF.SCCF.16/04) *Progress Report on the LDCF and SCCF*. On the LDCF, he noted that, during the reporting period of October 2013 to April 2014, cumulative pledges increased by US\$100.32 million to end-February to reach US\$879.12 million, of which 94 per cent had been paid. He observed that demand nonetheless continues to exceed available resources. In relation to the SCCF, he noted that during the reporting period cumulative pledges increased by US\$2.16 million to reach US\$333.10 million by end-February, of which 90 per cent had been paid. The Council adopted the decision.

## FY13 ANNUAL MONITORING REVIEW (AMR) FOR THE LDCF AND THE SCCF

Dixon introduced the item (GEF/LDCF.SCCF.16/05) *FY13 Annual Monitoring Review for the LDCF and the SCCF*. He noted the report provides analysis of the performance of the active portfolio of adaptation projects under the LDCF and the SCCF, as well as considering issues around gender mainstreaming and stakeholder engagement. He noted the GEF Secretariat received project implementation reports (PIR) for 39 LDCF projects, with

funding commitments of US\$134.98 million as at June 30, 2013, with US\$632.79 million in confirmed co-financing. Of these 39 projects, 92 per cent received an implementation progress (IP) rating of moderately satisfactory (MS) or higher. He also noted that under the SCCF, the GEF Secretariat received 20 PIRs and one Terminal Evaluation. Total SCCF funding commitments towards these 21 projects amounted to US\$94.29 million as at June 30, 2013, with US\$588.52 million in confirmed co-financing. Under the SCCF, 90 per cent received an IP rating of MS or higher.

In the ensuing discussion, Council members welcomed the report providing an assessment of the Funds' projects' results for the first time. They also welcomed the use of socio-economic indicators assessing the number of people directly affected by projects, as well as reporting on gender. Several Council members called for additional reporting in future on cumulative achievements. The Chair noted the strong support for the AMR process and the Council adopted the decision.

## WORK PROGRAM FOR THE SCCF

Dixon introduced the item (GEF/LDCF.SCCF.16/06), *Work Program for the SCCF*. He noted that the program consists of a single full-sized project requesting a project grant of US\$4.366 million and an Agency fee of US\$0.415 million, and that co-financing for the project is US\$99.7 million. He noted that this project represented 71% of available resources and that demand continues to exceed supply. The Council adopted the decision.

## PROGRESS REPORT AND FY 2015 WORK PROGRAM AND BUDGET FOR THE IEO UNDER THE LDCF AND SCCF

Anna Viggh, IEO, introduced the item (GEF/LDCF.SCCF.16/ME/01), *Progress Report and FY 2015 Work Program and Budget for the IEO under the LDCF and the SCCF*.

She outlined the IEO's proposed activities for the coming fiscal year, including in relation to the growing workload of evaluations of the LDCF and SCCF projects, as the portfolio matures, and development of monitoring and evaluation guidelines. The Council adopted the decision.



Lars Roth, Sweden



Anna Viggh, IEO



Lloyd Pascal, Dominica

## FY15 ADMINISTRATIVE BUDGET FOR THE LDCF AND THE SCCF

Dixon introduced the item (GEF/LDCF.SCCF.16/08), *FY15 Administrative Budget for the LDCF and the SCCF*. He outlined the proposed budget and noted that it represented expected resource needs for operationalizing planned FY15 activities for the two funds. The Council adopted the decision.

## ANNUAL EVALUATION REPORT FOR THE LDCF AND THE SCCF AND MANAGEMENT RESPONSE 2013

Robert van den Berg and Viggh, introduced the item (GEF/LDCF.SCCF.16/ME/02), *Annual Evaluation Report for the LDCF and the SCCF and Management Response 2013*. Van den Berg noted that this was the first such report and presents an assessment of the terminal evaluations of completed LDCF/SCCF projects submitted in fiscal year 2013. He further noted future reports, as more projects are completed and evaluated, would represent a substantial assessment of the funds' achievements. Viggh then outlined the report's findings, including that the completed projects show progress in addressing a number of themes deemed beneficial to overall project success including involvement of local stakeholders in the decision making process, inclusion of a focus on gender issues, and greater dissemination of information to the public. She also noted the report's findings that projects often lack a focus on monitoring and evaluation.

Dixon introduced the item (GEF/LDCF.SCCF.16/ME/03), *The Management Response to the Evaluation Report* notably that the GEF Secretariat agrees with the report's conclusions. A Council member welcomed the first evaluation report and noted that he looks forward to such reports being prepared in future on a regular basis, noting the sample size at this stage is small. The Council adopted the decision.

## OTHER BUSINESS

The US indicated that it is planning, subject to congressional approvals, to pledge a further US\$25 million for LDCF and US\$10 million for SCCF. Finland announced that it would make an annual contribution of EUR 1.6 million for LDCF and EUR 0.9 million for the SCCF.

## JOINT SUMMARY OF THE CHAIRS AND CLOSING

Council Members received a draft Joint Summary of the Chairs for both the GEF Council meeting and the LDCF/SCCF meeting, which included the decisions they had adopted during the meetings.

Several Council members noted that they wished the meeting's formal record to register their concerns that the GEF-6 replenishment process had not taken account of their requests and, in the case of SIDS, had not reflected their vulnerability, which was recognized under the UNFCCC and other UN bodies. The GEF Council adopted the proposed Joint Summary of the Chairs for the GEF Council after discussion and clarification. The Joint Summary of the Chairs for the LDCF/SCCF was also adopted.

Co-Chair Pyykko thanked Ishii and the GEF Secretariat for support during the meeting. Reflecting on discussions, Ishii noted that over three days an important transition from GEF-5 to GEF-6 had been made and observed that GEF2020 is a living document, providing a reference point for future discussion. She said the need to seriously reflect on the future of the GEF had been confirmed and that it is important for the GEF family to come together and work coherently. The GEF Council closed at 2:06pm.

**SUMMARY REPORT:** The IISD RS combined summary report of the GEF Council meeting and the GEF Assembly will be available on Sunday, 1 June 2014.



L-R: Naoko Ishii, GEF CEO and Chairperson, and Co-Chair Juha Pyykkö, Finland, at the end of the meeting



# GEF Bulletin

## A Daily Report of the 5th GEF Assembly

Published by the International Institute for Sustainable Development (IISD) in collaboration with the Global Environment Facility (GEF) Secretariat

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### 46<sup>TH</sup> GEF COUNCIL MEETING HIGHLIGHTS:

WEDNESDAY, 28 MAY 2014

The fifth Global Environment Facility (GEF) Assembly opened on 28 May 2014 at the Moon Palace Hotel in Cancún, Mexico. In the morning, delegates were addressed by High-level officials and considered Assembly agenda items. In the afternoon, four roundtables were held on: Financing Green Growth; Role of Legislation in Protecting the Global Environment; Mainstreaming Natural Capital into Decision-Making; and Sustainable and Resilient Cities.



L-R: Enrique Peña Nieto, President of Mexico, congratulating Naoko Ishii, GEF CEO

### OPENING CEREMONY

Fernando Aportela, Under-Secretary of Finance and Public Credit, Mexico, welcomed participants to Cancún, expressing hope that the fifth Assembly of the GEF would devise the GEF's strategy to help countries achieve green growth and long-term socio-economic development. Delegates then watched a video highlighting GEF projects in Mexico.

Juan José Guerra, Secretary of Environment and Natural Resources, Mexico, highlighted climate change, poverty alleviation, food security and population growth as major challenges facing humanity that needed joint action.

Naoko Ishii, CEO and Chairperson, the GEF, said the current meeting offered an opportunity to celebrate: the GEF's strong in country engagement; its expanding network and mandate with four new Project Agencies and its new role as the financial mechanism of the Minamata Convention on Mercury; and the successful conclusion of its sixth replenishment. She said the meeting could set out a roadmap to help the GEF catalyze action and help deliver some of the solutions the world was looking for to address unprecedented sustainable development challenges.



Fernando Aportela, Under-Secretary of Finance and Public Credit, Mexico



Juan José Guerra, Secretary of Environment and Natural Resources, Mexico

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<http://enb.iisd.mobi/>



Naoko Ishii, GEF CEO and Chairperson

**Organizational Matters:** Delegates elected Juan José Guerra, Secretary, Environment and Natural Resources, Mexico, as Chair of the fifth GEF Assembly. They then elected Bruno Oberle, Director, Federal Office for the Environment, Switzerland, and Judi Wakhungu, Minister of Environment and Water Resources, Kenya, respectively, as Vice-Chairs for donor and recipient countries.

## AMENDMENTS TO THE INSTRUMENT

Delegates adopted the proposed agenda and organization of work (GEF/A.5/01).

## REPORT ON THE GEF TRUST FUND

William Ehlers, GEF Secretariat, introduced the amendments to the GEF Instrument (GEF/A.5/09), outlining proposed key amendments, which were subsequently approved.

## PRESENTATION ON GEF 2020

Chair Guerra introduced the Report of the Trust Fund (GEF/A.5/06). Delegates took note of the report.

Ishii introduced the proposed GEF 2020 Strategy (GEF/A.5/10), which she noted had been welcomed by the GEF Council. She said the Strategy focused on five strategic priorities: drivers of environmental degradation; delivering integrated solutions to environmental challenges; enhancing climate resilience and adaptation; ensuring complementarity and synergies in climate finance; and working with beneficiary countries to transform policy and regulatory environments, strengthen institutional capacities and decision-making processes.

## REPORT ON THE SIXTH REPLENISHMENT OF THE GEF TRUST FUND

Ishii introduced the Report on the Replenishment (GEF/A.5/07), noting that the replenishment package had been endorsed by the GEF Council. She attributed the success of the replenishment to a shared sense of urgency to turn around global environmental deterioration and donor confidence in the GEF. She expressed excitement over new initiatives that will be launched under GEF-6, including pilot programs to address underlying drivers of environmental degradation.

In the ensuing discussion, Mexico expressed appreciation for the opportunity to establish a network with the private sector. Brazil highlighted its increased contributions to the GEF Trust Fund replenishment and suggested that countries

work closely with the Secretariat to evaluate the impacts of the agreed replenishment package on GEF's capacity to generate global environmental benefits. The Assembly took note of the report.

## STATEMENT BY THE SCIENTIFIC TECHNICAL ADVISORY PANEL (STAP)

Rosina Bierbaum, STAP Chair, presented the STAP report (GEF/A.5/03). Stressing that climate change threatened GEF's achievements to date, she said immediate action and transformational changes across sectors were needed, including significant investments in energy efficiency and renewable energy. She said key messages in the report included the need to tackle environmental degradation in a more integrated way to yield multiple benefits; put environmentally sustainable development at the core of GEF interventions; and continue GEF's catalytic and innovative role to bring about change.

In the ensuing discussion, Lebanon queried the STAP's recommendations regarding the environmental impacts of war. Mexico asked if new partnerships should be created to promote transfer of technology from developed to developing countries.

In response, Bierbaum said that the STAP had identified environmental security as one area of future research under GEF and that new partnerships, funding and ways of working were needed in the field of technology to address challenges, such as climate change, suggesting new indicators on this issue could be developed under integrated approaches.

Uganda and Nicaragua supported the proposed integrated, cross-cutting strategy but noted it could only be implemented if adequate financial support is provided to developing countries.



Rosina Bierbaum, Chair of GEF STAP



Delegates watched a video highlighting GEF projects in Mexico

Tunisia said the GEF would need to build on its projects and, with Vietnam, suggested it should look for synergies with the work of other environmental funding organizations.

Ishii responded that implementing the integrated approach would require bringing along the entire GEF family and this would be a key challenge for the GEF in the coming years. She urged delegates to contribute their ideas on this issue during the Assembly's roundtables. Bierbaum noted that integrated approaches could lead to economies of scale.

Jamaica asked about the STAP's work in relation to SIDS and Bierbaum responded that environmental impacts in SIDS were considered in several of the STAP's recently released publications.

Chair Guerra closed the item noting that a recent meeting of Central American ministers had stated that urgent action was needed to avoid reaching global environmental tipping points.

### STATEMENT BY THE GEF INDEPENDENT EVALUATION OFFICE (IEO)

Robert van den Berg, Director, GEF IEO, introduced the item (GEF.A.5.04), *Fifth Overall Performance Study of the GEF*, noting that the GEF has a robust evaluation culture. He presented a short video outlining the overall performance study's (OPSS) main conclusions. He then summarized these, saying that OPSS



Robert van den Berg, Director, GEF IEO

found that: the GEF is achieving its mandate and objectives; the delivery model is slow and inefficient; and the GEF needs to make strategic choices to improve its business model, including by focusing more on programmatic approaches rather than operating primarily at the project level.

### REPORT ON GEF MEMBERSHIP

The Assembly took note of the report (GEF/A.5/05), which calls upon the Assembly to keep under review the membership of the GEF, presently composed of 183 members.

### CSO STATEMENT

Maria Lechner, Fundación ECOS, Uruguay, on behalf of civil society organizations (CSOs), reported on the CSO Forum, which took place on 27 May in Cancún, observing that over 200 CSO representatives had attended the event. She suggested that the GEF should encourage more meaningful participation of CSOs at an early stage of the project cycle and noted the need to update GEF's guidance on CSO engagement. She added that the GEF should strengthen the capacity of CSOs in order to effectively spur collaborative approaches, highlighting the need to mainstream gender and youth participation into GEF's work.



Maria Lechner, Fundación ECOS, Uruguay



The dais during the roundtable on “Financing Green Growth.”. L-R: Peter Seligmann, CEO, Conservation International; Li Yong, Director General, UNIDO; Moderator Joachim von Amsberg, World Bank; Fernando Aportela, Under-Secretary of Finance and Public Credit, Mexico; Mohale Rakgate, Development Bank of Southern Africa; and Daniel Servitje, CEO, Grupo Bimbo.

## ROUNDTALBES

**Roundtable 1: Financing Green Growth:** Joachim von Amsberg, World Bank, moderated the discussion, inviting participants to share experiences and lessons for financing green growth and reflect on what the GEF could do to mobilize, catalyze and incentivize financing for green growth.

Fernando Aportela, Under-Secretary of Finance and Public Credit, Mexico, stressed the key role of positive government incentives and smart regulations, as well as multi-stakeholder partnerships, in promoting green growth.

Daniel Servitje, CEO, Grupo Bimbo, said that renewable energy needs large upfront investments so public policies and development bank involvement are key to make them viable over the long term.

Mohale Rakgate, Development Bank of Southern Africa, said the bank strived to identify areas where infrastructure and green economy market failures existed and outlined the bank’s work in the renewable energy sector and ongoing projects in three areas: low-carbon; green cities and towns; and natural resources management.

Li Yong, Director-General, UNIDO, outlined UNIDO’s approach to green growth, noting that it has recently adopted a new mandate to make sustainability central to industrial development. He said future development would be based on low-carbon technologies and outlined a range of strategies UNIDO is adopting to support sustainable industrial development, including: getting public sector policies right; boosting knowledge networks to promote innovation and trade; and looking for synergies between international organizations’ green growth approaches to facilitate investment flows. He suggested the GEF and UNIDO work together in these areas.

Peter Seligmann, CEO, Conservation International, stated that private sector companies now recognize environmental stewardship to maintain their supply chains is in their own interest. He said it is important for governments to reflect the true cost of production and stressed the continued need to put a value on natural resources.

In the ensuing discussion, Colombia welcomed the call for holistic cross-cutting approaches on valuing natural capital but argued that coordinated action is challenging at the national

level, let alone at the international level. Italy emphasized the need for governments to drive political change, remove subsidies and incentives and pass the costs of green growth investment on to industry and end-consumers.

South Sudan stressed the need for the GEF to focus on and mobilize additional resources for food security, renewable energy and nature conservation, and to ensure equitable allocation of resources. The US queried how institutional investors could become more involved in green growth. Sierra Leone stressed the need to promote the greening of small-scale agriculture and other small industries. Lebanon urged convincing citizens that promoting green growth does not counter economic development and suggested addressing environmental challenges through the UN Security Council.

Responding to comments, Aportela said government involvement in projects could help attract institutional investors into green growth investments. Rakgate suggested creating platforms to bring in institutional investors through funds rather than individual green growth projects, stressing that going green was not necessarily more expensive in the long term. Servitje said eliminating harmful price subsidies and putting long-term policies in place were key to promote green growth. Seligmann stressed the need to better communicate with the public and to define new governance approaches to address environmental challenges.

Closing the discussion, von Amsberg summarized as key messages that: greening growth is imperative; existing public policies and partnerships show the way forward; current initiatives can be scaled up to reverse current trends; and green growth policies need public support from all sectors, including labor and civil society.

**Roundtable 2: Mainstreaming Natural Capital into Decision-Making:** Bierbaum moderated the roundtable.

Fernando Aportela noted it was important to carefully measure natural capital value in order to better manage natural resources. He outlined that low income communities suffered most if natural resources were not properly managed. He then noted innovative actions Mexico has undertaken to encourage better management of natural capital, notably fiscal reforms to use oil revenues to support a sustainability fund.



The dais during the roundtable on “Mainstreaming Natural Capital into Decision-Making.” L-R: Carlos Roxo, Director for Sustainability, Fibria; Tshekedi Khama, Minister of Environment, Wildlife and Tourism, Botswana; Eduardo Sojo, Director, National Institute of Statistics and Geography (INEGI), Mexico; José Sarukhán Kermez, National Commission for Knowledge and Use of Biodiversity, Mexico; Braulio de Souza Dias, Executive Secretary, CBD; Fernando Aportela, Under-Secretary of Finance and Public Credit, Mexico; and Moderator Rosina Bierbaum, Chair of the Scientific and Technical Advisory Panel (STAP)

Braulio de Souza Dias, Executive Secretary, Convention on Biological Diversity (CBD), noted the CBD’s starting point is valuing biodiversity in various ways. He encouraged governments to integrate biodiversity values into national accounting and economic policy, and to take innovative actions such as payments for ecosystem services, green procurement and fiscal incentives.

Carlos Roxo, Fibria, noted that companies such as his Brazilian forest products company value natural capital as part of their core business. He also called for cross sectoral dialogue to bring this value into formal business accounting practice.

José Sarukhán Kermez, National Commission for Knowledge and Use of Biodiversity, Mexico, said it is important to make it profitable for communities, who owned 70-80% of Mexico’s natural capital, to do things sustainably. He encouraged the GEF to support further measurement of biodiversity and he noted Mexico had invested heavily in such measurement as a precursor to taking strong action on sustainability.

Eduardo Sojo, National Institute of Statistics and Geography, Mexico, said countries could use international standards adopted in February 2012 for environmental accounting to better understand their economic activities. He shared his organization’s experience with creating natural resources inventories to determine the ecological impact of specific sectors.

Tshekedi Khama, Minister of Environment, Wildlife and Tourism, Botswana, shared his country’s successful experience with natural capital accounting in collaboration with the World Bank, noting such accounting helped to better manage resources and promote changes to address unsustainable practices.

In response to the moderator’s questions, Khama stressed the role of political will in natural capital accounting, while Aportela emphasized the need to: develop national capacities to measure natural capital; conduct cost-benefit analyses to translate numbers into policy; and consider income inequality in policy development.

In the discussion that ensued, Costa Rica queried political incentives or arguments that it could be used to mainstream biodiversity conservation into national economies given the political and economic benefits of business-as-usual. Dias said the sustainable development goals (SDGs) under negotiation should provide such incentives, while Sarukhan Kermez suggested the

need to consider the ethical and social implications of business-as-usual, which Sojo said was not environmentally sustainable. He encouraged the GEF to become involved in ambitious initiatives in this area. Ferreira said the GEF could do this through financing and agreed that accounting helped to build public awareness on natural resources, which in turn led to better policies. Roxo said one way to move forward was to set a price on natural and social capital and look at the long-term.

Guinea expressed concern that indigenous people’s concerns were not highlighted sufficiently in the discussion, yet they were often the forests owners.

Concluding the session, Khama outlined Botswana’s land concessions approach, in which approved management plans give traditional owners access to an annual levy, noting the need to prevent corruption. Roxo said companies operating sustainably in the Amazon faces fierce price competition and regulatory interventions should level the playing field. Bierbaum stated ecosystems are better valued now than a decade ago but it was important to get various agencies working together to expedite effective action. She added the SDGs process could provide an avenue for scaling up action and concluded that the GEF has a role facilitating the evaluation of natural capital and embedding it in GEF-6.

**Roundtable 3: Role of Legislation in Protecting the Global Environment.** Moderator David Barron, International Conservation Caucus Foundation, opened the panel discussion inviting Luis Videgaray Caso, Minister of Finance and Public Credit, Mexico, to introduce the discussion. Caso outlined Mexico’s recently enacted legislation on climate change and highlighted the importance of enhancing parliamentary engagement on sustainability issues.

Graham Stuart, Chairman of the Board, GLOBE international, UK, stressed the role of the GEF in facilitating national implementation of international legislation, noting the importance of legislators making policies “real.”

Thiaw suggested that for issues such as REDD+, climate change and land degradation, legal cooperation was needed at the international, regional, national and local levels. Lopez Moreno suggested that legislators should not only draft enabling domestic legislation for implementing international agreements, but should



The dais during the roundtable on “Sustainable and Resilient Cities.” L-R: Gino Van Begin, ICLEI; Maimunah Mohd Sharif, Mayor, Seberang Perai, Malaysia; Moderator Ede Ijjasz-Vasquez, World Bank; Boris Graizbord, Colegio de México, Mexico; and Bernardo Baranda Sepúlveda, Transportation and Development Policy Institute (IPTD).

also identify policy priorities and assess implementation of legislation. Lembeli supported legal mechanisms to recognize village ownership of carbon benefits from REDD+. Stuart called on all developed countries to adopt comprehensive climate legislation and for enhanced efforts to educate developing country legislators on climate change issues and possible policy responses. Guerra said the GEF should play a greater role in identifying best legislative practices.

Responding to a question on what the GEF should prioritize regarding the legislative agenda, panel members suggested analyzing the impacts of existing environmental laws in leading countries and improving legislator capacity to understand complex environmental issues and possible policy responses to them.

During the following discussion, participants focused on the challenges of adopting a long-term perspective when creating new law. In response, Moreno emphasized the need to educate the public on environmental issues. Thiaw urged states to ratify the Minamata Convention noting that legislation is a vital tool for protecting natural capital. Stuart said policy-makers need to make sure that a concrete budget line and solid legislation give effect to environmental programmes proposed by international agencies. Caso said the GEF should continue to work on enabling legal frameworks, particularly on climate change. Lembeli noted the need to improve legislator engagement on environmental issues.

**Roundtable 4: Sustainable and Resilient Cities:** Opening the session, Rodolfo Lacy, Under-Secretary for Planning and Environmental Policy, Mexico, said it was important for the GEF to help design sustainable cities that move from the classic concept of cities and their unsustainable consumption of resources to cities that manage everything with a life cycle approach while becoming resilient to climate change.

Gino Van Begin, Secretary General, ICLEI, underscored the need to move away from fossil fuels and encouraged citizens, the private sector and academia to get more involved in local sustainability action plans.

Maimunah Mohd Sharif, Mayor, Seberang Perai, Malaysia, spoke about the challenges and actions related to providing green services to citizens. She emphasized partnerships and

coordination as being fundamental “to make things work on the ground.”

Boris Graizbord, Colegio de México, Mexico, highlighted the uniqueness of cities and called attention to the need to adapt programs to local contexts and the importance of helping cities to learn from each other.

Bernardo Baranda Sepúlveda, Transportation and Development Policy Institute (IPTD), urged the GEF to focus on helping cities not only with the technical and project management portions of city projects, but also with social and implementation aspects.

Responding to a question about linkages between national policy and local action, Lacy suggested that the GEF national projects on sustainable cities could be made conditional upon bringing cities together to solve common problems.

Responding to a question on practical ideas to guide the GEF in the sustainable cities area, panel members suggested, *inter alia*: taking an integrated city approach to linked issues such as climate change, energy and transport; creating programs to help cities overcome existing problems resulting from unplanned development; fostering benchmarking for sustainable city development; enhancing interaction between municipalities of different countries; facilitating involvement of communities in sustainable urban policy development; and finding ways for urban planners to continue to work on projects over periods longer than political cycles.

During the ensuing discussion, delegates focused on questions related to solutions for cities in rapidly developing countries such as Brazil, China and India, policies for rural areas, small island developing states, and mechanisms to incentivize urban sustainability. One delegate recalled the Medellín Declaration of the World Urban Forum and inquired about urban actions to combat poverty. Van Begin emphasized that citizens must be brought on board in formulating and implementing urban policies. The panel agreed that sustainable cities are only possible if rural areas are also sustainable, noting the importance of “rural services” such as provision of clean water.

Moderator Ijjasz-Vasquez concluded the discussion by saying that “shared prosperity” must be a key goal when promoting sustainable cities.



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### 5<sup>TH</sup> GEF ASSEMBLY HIGHLIGHTS:

THURSDAY, 29 MAY 2014

On Thursday morning three roundtables were held on: nexus of energy, water and food security; sustainable commodities; and multilateral agreements (MEAs) and the post-2015 framework. The fifth GEF Assembly closing plenary convened in the afternoon. Delegates heard statements on behalf of constituencies, representatives of the Conventions, heads of the GEF Agencies, and received the Chair's summary of the 5th GEF Assembly.



The dais at the end of the 5th GEF Assembly

### ROUNDTABLES

#### Roundtable 5: Nexus of Energy, Water and Food Security:

Andrew Steer, President and CEO, World Resources Institute, moderated the discussion.

Leonardo Rodríguez, Ministry of Energy, Mexico, said sustainable development could not be achieved unless the food, water and energy sectors worked closely together.

Monique Barbut, Executive Secretary, UN Convention to Combat Desertification (UNCCD), said building a food-

energy-water nexus around better land use had great potential, noting improvements in 25% of sub-Saharan Africa's land would produce an additional 25 million tons of food crops. She suggested the GEF focus on rain-fed agriculture, no-till farming, groundwater management, land tenure, and small-scale agriculture.

Shenggen Fan, Director-General, International Food Policy Research Institute, urged a focus on: people and small-scale holders to promote links between water, energy and food security;



L-R: Shenggen Fan, Director-General, International Food Policy Research Institute; Sarah Scherr, President and CEO, EcoAgriculture Partners; Leonardo Beltrán Rodríguez, Ministry of Energy, Mexico; Moderator Andrew Steer, President and CEO, WRI; Dan Glickman, Vice-President of Aspen Institute; and Monique Barbut, UNCCD Executive-Secretary

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phasing out environmentally damaging water, energy and food subsidies; and building the capacity of smallholders to mitigate and adapt to climate change and other shocks.

Dan Glickman, Executive Director, Aspen Institute Congressional Program, said government agencies need to move beyond ‘silo’ thinking and collaborate on addressing this very complex policy challenges. He also called for further research into better agricultural approaches, as investment in research in the US is declining.

Sarah Scherr, President and CEO, EcoAgriculture Partners, said her organization has documented more than 85 different communities of practice adopting integrated landscape management approaches, which move beyond a trade-off mentality. She said that the GEF plays a catalytic role in many of these projects, which mainstream conservation approaches in agriculture and forest management with positive outcomes, including for food production.

Rodríguez explained that Mexico recently put energy and the relationships with water and food high on the national security agenda and taken an integrated approach within government. He added that Mexico’ consultative approach with a broad range of stakeholders had resulted in an ambitious renewable energy policy.

Barbut called for drought early warning systems and drawing on the capacity of technology to get detailed information to those that need it. She said that UNCCD has developed a global portal to relevant databases.

Glickmann said smartphone technology is being increasingly used in the developing world and provides a great opportunity to get farmers the information when they need it.

The Netherlands called upon the GEF to create an accessible database on the water-food-energy nexus. Senegal highlighted a national plan involving projects on agriculture and energy and wondered how the GEF could help countries pursue goals within such plans.

Zambia, for the Southern Africa constituency, called on the GEF to support sustainable forest management, biodiversity, land degradation, climate change and chemicals management efforts in Southern Africa.

Nigeria urged the GEF to assist countries in recovering degraded land and educating small-scale farmers to enhance food production and improve farmers’ livelihoods.

Ethiopia stated infrastructure plays a key role in building a nexus between energy, food and water issues. Saint Lucia proposed discussing trade and investment policies that promote investments in carbon-intensive infrastructure over renewable energy. The International Fund for Agricultural Development commended the GEF for trying to break down barriers between sectors and said learning from those working with complex systems could be of benefit.

Scherr reiterated the need to “get prices right” and eliminate subsidies. Scherr suggested the GEF promote knowledge-sharing systems among landscape initiative leaders and help coordinate integrated landscape management financing from different sources.

Rodríguez highlighted stakeholder engagement, capacity building and technology transfer and financing as key to building a food-energy-water nexus. Glickman said the GEF could produce and avail online a guide on current water, food and water best practices. Barbut said rehabilitating two billion hectares of land should be a key international priority.

**Roundtable 6: Sustainable Commodities:** Moderator Andrew Steer invited participants to discuss how sustainability could be injected into commodity supply chains and what the GEF’s role should be in this regard.

Rodríguez said growing demand for commodities was putting enormous pressure on forests and concerted efforts were needed to remove deforestation from commodity supply chains and increase the market uptake of sustainable commodities.

Carter Roberts, President and CEO, WWF US, said humans were demanding one and a half times, more than what the planet could sustain, but signs of hope existed in areas such as food production. Outlining WWF’s efforts to engage with major companies on fifteen commodities, he said a key challenge was to get entire sectors to move towards more sustainable practices.

Ana Paula Tavares, Rainforest Alliance, described her organization’s efforts to engage with the global marketplace to achieve sustainability, develop sustainable management standards in key sectors, and build capacities to improve on-the-ground



L-R: Augustine Mascotena, Roundtable on Responsible Soy Association; Daryl Webber, Secretary-General, RSPO; Ana Paula Tavares, Rainforest Alliance; Moderator Andrew Steer, President and CEO, WRI; Leonardo Beltrán, Ministry of Energy, Mexico; Susan Jackson, President, International Seafood Sustainability Foundation; and Carter Roberts, President and CEO, WWF US

practices, stressing further progress would require collective action.

Susan Jackson, President, International Seafood Sustainability Foundation, discussed progress made in the tuna industry thanks to engagement with actors across the supply chain. Noting the GEF was involved in a project that would use electronic systems to monitor tuna purse seine vessels in Ghana, she said the current research and development race in the electronic monitoring industry showed the multiplier effect of GEF projects in helping to transform commodity industries.

Augustine Mascotena, Roundtable on Responsible Soy Association, said commodity producers were part of the solution and should not be seen as “enemies.” He claimed a paradigm shift was needed to drive expansion of sustainable commodities and this required educating producers, sharing examples and taking a long-term approach.

Darrel Webber, Secretary-General, Roundtable on Sustainable Palm Oil (RSPO), said around 16% of global palm oil is now produced to RSPO’s certification standard, but only half the sustainable production has found markets, noting the need for government support for market uptake. He added that palm oil producers are improving sustainable production and there is potential for the industry to improve significantly in the near future, particularly in encouraging countries newly involved in the industry to go down a more sustainable path.

In response to moderator questions on where big improvements could be made, Roberts said different commodities had different environmental impacts and WWF found working with coalitions on issues such as certification standards could have significant benefits including developing certification schemes, in key countries such as Brazil and Indonesia. Tavares said action needs to be tailored to the circumstances of each unique region or community.

Questioned on the importance of new communications technology, Jackson said technology is now able to supply much of the extensive data needed to support accurate assessments of commodity sustainability, although data needs may increase as best practice expectations strengthen.

Responding to questions on where the GEF can best contribute to action on sustainable commodities, Comoros asked the GEF to assist African countries with sustainable agriculture approaches to feed rapidly growing and urbanizing populations. Grenada, with Senegal, noted the problem of illegal unsustainable fishing in their territorial waters. New Zealand encouraged support for Pacific SIDS in managing large areas of ocean.

**Roundtable 7: MEAs and the Post-2015 Framework: A Forward-Looking Agenda:** Moderator Homi Kharas, Brookings Institution, US, moderated the session. In his opening address, José Antonio Meade, Minister of Foreign Affairs, Mexico, cautioned that mobilizing financial resources to implement the SDGs may become a serious impediment to achieving the post-2015 development agenda.

Responding to a question about securing funds for the post-2015 agenda, Jeffrey Sachs, Earth Institute, suggested: making polluters pay, which would require environmental accountability for multinationals; levying carbon taxes for oil and gas companies; adopting legislation to help channel savings into long-term sustainable development rather than stimulating short-term consumption; ensuring that the poorest countries get the financing they need, both through fairer distribution of revenues from oil, gas and mineral exploitation contracts and through high-income countries honoring their pledge on climate financing by 2020.

Ibrahim Thiaw, UNEP, agreed that companies need to be more accountable and stressed that consumers need to pressure the private sector to take sustainability seriously.

William Moomaw, Tufts University, US, underscored that MEAs often address the symptoms instead of the underlying causes of environmental degradation. He highlighted the Sustainable Energy for All (SE4ALL) UN program as a positive initiative with multi-purpose goals, including poverty reduction.

Rajendra Pachauri, Chairperson, Intergovernmental Panel on Climate Change (IPCC), stressed the importance of political leadership in the fight against climate change. He noted the role of the GEF in moving the climate change agenda forward and fostering the end of business-as-usual decision-making.



L-R: William Moomaw, Tufts University; Ibrahim Thiaw, UNEP Deputy Executive Director; Amina Mohammed, UN Special Adviser on Post-2015 Development Planning; Moderator Homi Kharas, Brookings Institution; José Antonio Meade, Minister of Foreign Affairs, Mexico; Jeffrey Sachs, Earth Institute; and Rajendra Pachauri, IPCC Chair



A high level panel convened for a press conference at noon. L-R: Rajendra Pachauri, IPCC Chair; Amina Mohammed, UN Special Adviser on Post-2015 Development Planning; Naoko Ishii, GEF CEO and Chairperson; Jeffrey Sachs, Earth Institute; and Andrew Steer, President and CEO, WRI.

Amina Mohammed, Special Adviser on Post-2015 Development Planning, United Nations, noted the existence of two tracks, the post-2015 agenda and the climate change negotiations, and the challenge of financing them, emphasizing that, in the “real world,” these processes are complementary.

In the subsequent panel discussion, Sachs emphasized the importance of including a clear climate goal within the SDGs. Moomaw suggested to Meade that Mexico ask its North America Free Trade Agreement partners to consider how that treaty could phase out energy subsidies and enlist trade in support of the environment. Meade underscored the importance to Mexico of green growth and the Green Climate Fund. He expressed optimism that a climate change agreement could be reached. Thiaw urged building on the experience gained in implementation of MEAs when formulating SDGs. Mohammed supported focusing on three considerations to obtain the agreement on the post-2015 development agenda, namely: the importance of measurable results; a mechanism for leveraging partnerships in implementation; and accountability.

The ensuing discussion focused on how to: promote synergies between the GEF-supported MEAs and the sustainable consumption and production framework agreed at Rio+20; address chemical issues in tandem with climate change, poverty, and health; and find ways for SIDS, particularly in the Caribbean, to attract more financing.

In closing, Moomaw observed that there are more potential opportunities and solutions than there are problems. Mohammed underscored the importance of engagement at the country level as UN talks in New York move toward an agreement on the post-2015 agenda. Sachs suggested that Caribbean SIDS create their own climate strategy to reduce dependence on fossil fuels and tap renewable energy opportunities. Pachauri recommended that SIDS do all they can on climate change within their own territories to strengthen the impact of their voices in global negotiations.

## CLOSING PLENARY

Opening the session, GEF CEO and Chairperson Ishii reflected on lessons from the roundtables. She emphasized the need to transform economies in order to protect the environment and for the private sector to get involved in GEF activities. On natural capital, she observed that if “we cannot count it, we cannot use it.” Ishii underscored the need for legislators to engage on the environment agenda. She went to emphasize science-based solutions, capacity building, good governance and taking an integrated approach to sustainable development challenges.

Ishii then invited Sachs to share his reflections on challenges facing the planet, and how the GEF can address them. Sachs emphasized as three major intersecting challenges: the end of the Millennium Development Goals (MDG) era and the beginning of the SDG period, in the context of ending extreme poverty within the next fifteen years; concluding a global climate change agreement; and avoiding a man-made “sixth mass extinction”



Jeffrey Sachs, Earth Institute

through stronger action on biodiversity. He urged all governments to push for strong SDGs, as well as to ensure there are “headline goals” on climate change and biodiversity.

As part of the sixth replenishment package, he welcomed the new Integrated Approaches Pilot, aimed at addressing environmental challenges by focusing on drivers of environmental degradation through special focus on issues such as food security in Africa, sustainable city development and taking deforestation out of global commodity supply chains.

#### STATEMENTS ON BEHALF OF CONSTITUENCIES:

Japan welcomed the record increase in contributions to the GEF, which he said signaled the trust placed in the GEF to strive towards sustainable development.

Australia expressed support for the GEF’s institutional reforms, strategic direction of GEF 2020, and improvements in



Ewen McDonald, Australia

co-financing arrangements and allocation methodology, and called for further engagement with the private sector.

Italy stressed the need to: ensure least-developed country access to GEF funds; focus on poverty alleviation; leverage private sector involvement; and improve performance.

The US expressed support for the GEF 2020 Strategy and welcomed the largest-to-date GEF replenishment and the contributions of developing

countries, adding that the US is contributing US\$546 million to the sixth replenishment.

Egypt welcomed the GEF’s adoption of a programmatic approach but said that higher ambition on co-financing would be a challenge for African countries.

Ecuador urged the GEF to accord LDCs and SIDS the same treatment they receive under relevant international environmental agreements. He said his constituency looked forward to strengthening efforts under the Minamata Convention.

Belgium said his constituency would closely track the integrated chemicals and waste focal area; and focus on non-grant funding and efforts to enhance co-financing and streamline the project cycle.

Cambodia acknowledged the role of the GEF in promoting sustainability in South East Asia, notably through the Small



Yu Weiping, Minister of Finance, China

Grants Programme (SGP). Noting potential issues with the new GEF-6 co-financing ratios, he requested the simplification of co-financing criteria for LDCs.

Canada supported greater inclusion of the private sector in the GEF-6 phase and encouraged gender mainstreaming in GEF projects.

China claimed that a donor country financing gap still exists and noted that his country has increased contributions to the the GEF by 33% compared to GEF-5.

Norway stated that the GEF needs to further focus on the drivers of environmental degradation noting the challenges of an evolving climate change finance landscape. He recalled his country’s contribution of US\$107 million to GEF-6.

The Netherlands said that cities deserve more attention from the GEF. Mexico said he expected the update of the System for Transparent Allocation of Resources (STAR), stressing that new co-financing rules need to take into account the special needs of some countries.

France stressed the need to agree on a global legally binding agreement on climate change.

Mauritania urged donors to give priority to supporting the Green Climate Fund and the Green Wall for the Sahara and Sahel Initiative, and called for allowing in-kind contributions as part of co-financing.

Germany called on GEF to focus on: climate finance in areas where it can clearly offer added value. He supported implementing the new integrated approach under existing institutional structures. He advocated the GEF enhancing country ownership, sustainability of results, operational efficiency and stronger knowledge management and enhanced stakeholder engagement.

Liberia called for direct access to GEF resources, country ownership of projects and programmes, and maintenance and strengthening of the SGP.

Finland noted the need to assess the broader socio-economic impact of GEF’s activities.

The Maldives suggested the need to further improve project operational modalities and expedite small allocations.

Afghanistan called on the GEF and the UN family to mobilize additional funds to help countries to address deforestation, desertification and land degradation challenges.

Fiji welcomed the more favorable terms for LDCs but expressed disappointment that those terms did not apply to SIDS, which are equally vulnerable to climate change.



L-R: Jozef Buys and Amb. Hans-Christian Kint, Belgium

Iran welcomed GEF's work and called for additional efforts to: make GEF more equitable, accessible, transparent and accountable; increase country project ownership; and improve communication between GEF Partner Agencies and countries.

Paraguay called for improved transparency in future replenishments to enhance donor involvement and expressed concern that requiring higher co-financing from medium-income countries that are not SIDS could affect the ability of some Latin American countries to implement GEF projects.

The Russian Federation supported the GEF's collaborative action on the environment, which he said contributes to sustainable development. He also noted that his country had increased its contribution to GEF-6 by 50% compared to GEF-5.

Zambia noted funding from GEF has increased but still falls short of what is needed, pointing out that the southern African region faces an increase in severe weather events, which impact negatively on land management, biodiversity and water resources.

Spain, with Switzerland, highlighted that funding GEF-6 had increased despite Europe's financial crisis, and called for continued broadening of funding sources.

Georgia underscored worsening floods and landslides in eastern Europe and welcomed the improvements to STAR for GEF-6 as well as the SGP.

The Central African Republic congratulated donor countries on GEF-6 replenishment levels but noted, along with Saint Lucia, that expectations going forward of very high levels of co-financing should be moderated to reflect the capacities of recipient countries.

**STATEMENTS BY REPRESENTATIVES OF THE CONVENTIONS:** Braulio de Souza Dias, Executive Secretary, CBD, said adequate financial resources are needed if the 2020 Aichi biodiversity targets are to be reached and welcomed the new Integrated Approaches Pilot.

Kerstin Stendahl, Executive Secretary *ad interim* for the Stockholm, Basel and Rotterdam Conventions, cautioned against a silo approach to chemicals and waste and advocated a cross-cutting and multifaceted approach to chemicals management. Fatoumata Keita-Ouane, UNEP Chemicals, on behalf of the Interim



Fatoumata Keita-Ouane, UNEP Chemicals

Secretariat for the Minamata Convention, welcomed the inclusion of the Convention under the GEF and urged countries to sign the Convention in order to be eligible for GEF resources.

**STATEMENT BY HEADS OF THE GEF AGENCIES:** Li Yong, Director-General, UNIDO, highlighted the role of the Inclusive and Sustainable Industrial Development, promoting inclusive industrial development, innovation and entrepreneurship.

Via video address, Jim Yong Kim, President, World Bank, congratulated the GEF for the conclusion of the sixth replenishment negotiations and underscored the need for greater private sector involvement within the GEF's activities.



Kerstin Stendahl, Executive Secretary, ad interim of the Basel, Rotterdam and Stockholm Conventions

Eduardo Ganem, Multilateral Fund of the Montreal Protocol, said the GEF has played a critical role in helping countries to

phase out ozone-depleting substances and the Fund looked forward to its continued collaboration with the GEF to achieve both ozone and climate benefits.

**CLOSING:** The fifth GEF Assembly considered and approved the report on credentials. Chair Guerra introduced the Chair's summary of the 5<sup>th</sup> GEF Assembly.



Eduardo Ganem, Multilateral Fund of the Montreal Protocol

Fernando Aportela, Under-Secretary of Finance, Mexico, thanked delegates for their participation, stating the

outcomes of the GEF Council and Assembly meetings in Cancún were a success and would set the stage to realize the GEF 2020.

Delegates then heard a written message from President Peña, Mexico in which he summarized as the key message of the Fifth GEF Assembly that intelligent investments would

lead to improvements in natural capital and social benefits that would help to transform economies and create livelihoods.

Ishii expressed her sincere gratitude to the government of Mexico saying the Assembly has achieved its key objectives. Stating that the meeting had confirmed that the GEF "has huge potential and can make a real difference," she closed the 5<sup>th</sup> GEF Assembly at 6.56 p.m.

**SUMMARY REPORT:** The IISD RS combined summary report of the GEF Council meeting and the 5<sup>th</sup> GEF Assembly will be available on Monday, 2 June 2014.



Naoko Ishii, GEF CEO and Chairperson



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# GEF Bulletin

## A Summary Report of the 46th GEF Council and 5th GEF Assembly

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### SUMMARY OF THE 46<sup>TH</sup> MEETING OF THE GLOBAL ENVIRONMENT FACILITY (GEF) COUNCIL AND THE FIFTH MEETING OF THE GEF ASSEMBLY: 25-30 MAY 2014

The 46th meeting of the Global Environment Facility (GEF) Council convened at the Moon Palace Hotel, Cancún, Mexico, from 25-27 May 2014. The three-day meeting brought together more than 500 representatives of governments, international organizations and civil society organizations (CSOs). The meeting included the 16th meeting of the Council for the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF). The CSO Forum was held on Tuesday 27 May. The GEF Council adopted decisions on *inter alia*: Long-Term Strategy for the GEF – GEF2020; Proposal for the System of Transparent Allocation of Resources (STAR); Co-financing Policy; the main findings and recommendations from the Annual Performance Report; and the Work Program.

The fifth meeting of the GEF Assembly was held from 28-29 May, 2014. The Assembly highlighted and discussed GEF2020 Strategy and the mission and vision to guide the GEF going forward. The Assembly consists of plenary sessions and high-level roundtables, exhibits and sides events. Delegates visited four nearby GEF projects on 30 May.

During the meetings many participants welcomed the record sixth replenishment to the GEF and also highlighted that the GEF must: position itself in the context of the evolving climate finance architecture; address the underlying causes of environmental degradation; take an integrated approach; and become more efficient, including through programmatic approaches.



L-R: Enrique Peña Nieto, President of Mexico, congratulating Naoko Ishii, GEF CEO

Delhi, India; 16-18 October 2002 in Beijing, China; 29-30 August 2006 in Cape Town, South Africa; and 25-26 May 2010 in Punta del Este, Uruguay.

The organization’s main decision-making body is the GEF Council, which is responsible for developing, adopting and evaluating the GEF’s operational policies and programmes. It is comprised of 32 appointed Council members, each representing a constituency, that is, a group of countries, including both donor and recipient countries.

The GEF is funded by donor nations, which commit money every four years through a process called the GEF replenishment. Since its creation in 1991, the GEF Trust Fund has been replenished by US\$2.75 billion (GEF-1), US\$3 billion (GEF-2), US\$3.13 billion (GEF-3), US\$3.13 billion (GEF-4) and US\$4.34 billion (GEF-5). GEF-5 covers GEF operations

## A BRIEF HISTORY OF THE GEF

The Global Environment Facility (GEF) was created in 1991 as a result of mounting concern in the preceding decade over global environmental problems and in an effort to formulate financing responses to address these problems. The GEF operated in a pilot phase until mid-1994. Negotiations to restructure the organization were concluded at a GEF participants’ meeting in Geneva in March 1994, where representatives of 73 countries agreed to adopt the GEF Instrument.

The GEF organizational structure includes an Assembly that meets every four years, a Council that meets twice a year, a Secretariat, and the Scientific and Technical Advisory Panel (STAP). The Evaluation Office was created in 2003. The GEF Assembly has convened four times: 1-3 April 1998 in New

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and activities from 1 July 2010 to 30 June 2014. In April 2014 (GEF-6), the Trust Fund was replenished by a record US\$4.43 billion from 31 donor countries.

The GEF administers the LDCF and the SCCF, and provides secretariat services to the Adaptation Fund established by the parties to the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC). The GEF also serves as the financial mechanism for a number of multilateral environmental agreements (MEAs): the Convention on Biological Diversity (CBD), the UNFCCC, the Stockholm Convention and the UN Convention to Combat Desertification (UNCCD). GEF work also focuses on sustainable forest management, international waters and ozone layer depletion.

GEF funding has been channeled to recipient countries through ten “GEF Agencies”: the UN Development Programme; the UN Environment Programme; the World Bank; the Food and Agriculture Organization of the UN; the UN Industrial Development Organization; the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the International Fund for Agricultural Development.

**FIRST MEETING OF THE GEF ASSEMBLY:** Held from 1-3 April 1998 in New Delhi, India, the first GEF Assembly focused on the GEF in the 21st century. More than 1,000 participants adopted the New Delhi Statement highlighting the GEF’s unique role and calling upon it to accelerate its operations.

**SECOND MEETING OF THE GEF ASSEMBLY:** Convened from 16-18 October 2002 in Beijing, China, the second GEF Assembly considered the GEF’s performance, operations and policies. It convened in plenary, roundtables, and panel sessions focusing on the GEF, its stakeholders, and the global environment. Participants adopted the Beijing Declaration, which supports the expanded mandate of the GEF in response to its evolving challenges, and calls, *inter alia*, for: enhanced activities at the country level; synergies among the global environmental conventions; enhanced strategic planning for allocation of scarce resources to high priority areas within and among focal areas to maximize global environmental improvement; better private sector engagement; and improved understanding of agreed incremental costs and the global benefits of GEF projects.

**THIRD MEETING OF THE GEF ASSEMBLY:** The third GEF Assembly convened in Cape Town, South Africa, from 29-30 August 2006. Participants reviewed the Facility’s policies and operations, meeting in plenary and in a series of roundtables and panel discussions. Delegates took note of reports on the GEF Trust Fund and the Third Overall Performance Study of the GEF, and raised concerns over the provision of funding for land degradation and desertification, and also on the application of the Resource Allocation Framework (RAF). The RAF was also addressed in one of the three high-level roundtables; the other two focusing on market-based mechanisms for financing global environmental conventions, and climate change mitigation and adaptation.

**FOURTH MEETING OF THE GEF ASSEMBLY:** This meeting was held in Punta del Este, Uruguay, on 25-26 May 2010. During six roundtables, delegates discussed two main themes, namely: improving the efficiency and effectiveness of the GEF; and enhancing countries’ “ownership” of their respective GEF projects.

**40TH MEETING OF THE GEF COUNCIL:** This meeting convened in Washington, DC, US, from 24-26 May 2011. At this meeting, Council members agreed to, *inter alia*, broaden the GEF Partnership under Paragraph 28 of the Instrument for the Establishment of the Restructured GEF (GEF Instrument), which establishes criteria and accreditation procedures for allowing new entities into the Partnership during a pilot phase. Related to this decision, the Council agreed on provisional policies on environmental and social safeguards and a policy on gender mainstreaming. Council members also agreed to approve the arrangements for the operation of the Nagoya Protocol Implementation Fund (NPIF), which was established based on a proposal and an initial contribution by Japan.

**41ST MEETING OF THE GEF COUNCIL:** This meeting convened in Washington, DC, US, from 8-10 November 2011. Council members discussed options for engaging with the private sector, approved a revised strategy for programming GEF-5’s private sector funds, and requested the Secretariat, in consultation with the multilateral development banks, to present to the Council a detailed paper outlining clear operational modalities for private sector engagement. Council members also adopted a Work Program that reflected the needs and views of 99 beneficiary countries. Council members also adopted a decision asking the Secretariat to organize a meeting of biodiversity-related conventions with the CBD Secretariat to facilitate the coordination of priorities for inclusion in the GEF-6 programming strategy. The Council approved provisions on how a policy on environmental and social safeguards should be applied to existing GEF Agencies and GEF Project Agencies.

**42ND MEETING OF THE GEF COUNCIL:** This meeting convened in Washington, DC, US, from 5-7 June 2012. The Work Program adopted at this meeting was the largest presented to the Council to date, with 84 stand-alone project concepts and two programmatic approaches amounting to US\$667.26 million in GEF project grants. The Council also unanimously appointed Naoko Ishii (Japan) as CEO/Chairperson of the GEF for a four-year term, beginning 1 August 2012. The LDCF/SCCF Council convened for its 12th meeting on 7 June, and approved decisions on: the Joint Work Program for the LDCF/SCCF; the FY2012 Work Plan and Budget for the Evaluation Office under the LDCF and SCCF; and the Administrative Budget for the LDCF and SCCF for Fiscal Year 2013. Pledges and contributions were announced by Australia (AUS\$15 million) and Finland (US\$5 million).

**43RD MEETING OF THE GEF COUNCIL:** This meeting convened in Washington, DC, from 13-15 November 2012. The Council approved decisions on, *inter alia*: relations with conventions and other international institutions; proposed framework for a financial mechanism for the future mercury convention and draft operational programme for mercury; financial projections for GEF-5 programming options; and the Work Program, which amounted to US\$174 million and benefited 63 countries.

The LDCF/SCCF Council convened for its 13th meeting on 15 November and adopted, *inter alia*, a Work Program amounting to US\$28.544 million for the SCCF and US\$1.87 million for the LDCF. Belgium, Finland, the Netherlands, Norway and Sweden announced new contributions to the LDCF and SCCF amounting to US\$80.8 million.

**44TH MEETING OF THE GEF COUNCIL:** This meeting convened from 18-20 June 2013 in Washington DC. The Council approved decisions on, *inter alia*: relations with conventions and other international institutions; the progress report from the Director of the GEF Evaluation Office; the annual monitoring review; the report of the selection and review committee; the Work Program and budget of the GEF Evaluation Office; the GEF Business Plan and Corporate Budget for the 2014 fiscal year; the Fifth Overall Performance Study and Management Response (OPS5); and the Work Program, which amounted to US\$369.82 million.

On 20 June, the 14th meeting of the LDCF/SCCF Council approved a Joint Work Program comprising four project concepts and two programmatic approaches, and requested total resources of US\$19.8 million for the SCCF and US\$25.03 million for the LDCF. In addition, the funds were bolstered by pledges amounting to US\$129 million for the LDCF and US\$69.2 million for the SCCF.

**45TH MEETING OF THE GEF COUNCIL:** This meeting took place from 5-7 November 2013 in Washington DC. The Council considered, *inter alia*: the progress report on the pilot accreditation of GEF Project Agencies; the mid-term evaluation of the System for Transparent Allocation of Resources (STAR); the mid-term evaluation of the National Portfolio Formulation Exercise; an update on the GEF-6 replenishment; a review of GEF Agencies on their application of environmental and social safeguards and gender mainstreaming; and an update on the development of the GEF2020 strategy. The GEF Council also approved a Work Program amounting to US\$259.84 million.

**SIXTH REPLENISHMENT:** Replenishment discussions were held four times from March 2013 to April 2014. A record replenishment of US\$4.43 billion was pledged by 30 donor countries to support developing countries' efforts over the next four years to prevent degradation of the global environment. Pledges from recipient countries were also welcomed.

**CSO FORUM:** A GEF CSO Forum, Partnerships for the Future, took place on Tuesday, 27 May 2014, in parallel with the 46th Meeting of the GEF Council. Introductory remarks were provided by Jonathan Ryan, Ministry of Environment and Natural Resources, Mexico (SEMARNAT); Rodolfo Lacy Tamayo, Mexican Ministry of Environment and Natural Resources; Naoko Ishii, GEF CEO and Chairperson; Faizal Parish, Central focal point GEF CSO Network; Jorge Legorreta, SEMARNAT; and Leon Gutierrez Ferretiz,

Regional Consultative Council on Sustainable Development for the South-South East of Mexico. The event produced a Communiqué, which was presented to fifth GEF Assembly.

Summarizing the event, Parish called for the strengthening of the CSOs' partnerships with the GEF, notably at the early stage of project implementation, and for the update of GEF's guidelines for CSO participation within the GEF.

## REPORT OF THE 46<sup>TH</sup> MEETING OF THE GEF COUNCIL

Naoko Ishii, Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), opened the 46th meeting of the GEF Council on Sunday, 25 May 2014 welcoming participants to the last council meeting of the GEF-5. She highlighted the GEF-6 replenishment of US\$4.4 billion from 30 countries, as a "significant success." She noted that the GEF2020 strategy lays out how the GEF can play a critical role in helping to tackle some of the world's pressing issues in coming years.

Ishii welcomed two new GEF Project Agencies: Development Bank of Southern Africa (DBSA) and the International Union for Conservation of Nature (IUCN). Julia Marton-Lefèvre, Director-General, IUCN (via video link) and Mohale Rakgate, DBSA, expressed appreciation for their organizations' accreditation and looked forward to working with the GEF.

The Council elected Juha Pyykko (Council member for Estonia, Finland, and Sweden constituency) as Co-Chairperson and adopted the agenda (GEF/C.46/01/Rev.03), after agreeing to include accreditation of the new agencies under the agenda item on other business.

### ANNUAL MONITORING REVIEW (AMR) FY13: PART II

On Sunday, Ramesh Ramankutty, the GEF Secretariat, introduced document (GEF/C.46/04), *Annual Monitoring Review (AMR) FY13: Part II* and the document (GEF/ME/C.46/03), *Response to the Annual Country Portfolio Evaluation Report 2014*.

Several council members expressed appreciation for the AMR data, welcoming progress on gender mainstreaming. Other Council members urged for a supplementary analysis on obstacles to project implementation and on the performance of multi-focal area projects. Concern was expressed over delays between GEF CEO endorsement and project implementation.



L-R: Elected Co-Chair Juha Pyykkö, Finland; Naoko Ishii, GEF CEO and Chairperson; and William Ehlers, GEF Secretariat



L-R: Peter Lallas and Ramesh Ramankutty, GEF Secretariat

Responding to a comment on Protected Areas (PAs), the GEF Secretariat explained that the GEF is working to ensure long-term financial sustainability of PAs by supporting, for example, national implementation of payment for ecosystem services and gate fees. On project disbursement delays, one Council member highlighted that countries have different procedures for receiving funding, meaning that the problem is not necessarily at the GEF level.

Ramankutty presented the item (GEF/ME/C.46/05) *Management Response to the Annual Country Portfolio Evaluation Report 2014* acknowledging the caveat of the Secretariat's limited participation in the Country Portfolio Study process.

**Decision:** The Council welcomes the report, expresses appreciation for the reformed AMR process and requests the GEF Secretariat to continue to provide two AMR reports per year.

#### **LONG-TERM STRATEGY FOR THE GEF – GEF2020**

On Sunday, Ishii introduced (GEF/C.46/10) *Long-Term Strategy for the GEF – GEF2020* noting that the current draft builds on discussions during 45th GEF Council meeting in November 2013 and comments received since. She noted that articulating GEF's strategic vision to 2020 is intended to provide a goal beyond four-year funding cycles and to enable GEF to contribute effectively to the global discussion on environmental issues in the context of international sustainable development and climate change agendas.

Most Council members endorsed the draft Strategy, but some raised the need for more prominent references to several issues, including: the socio-economic benefits associated with environmental action and how the Strategy would link to the post-2015 development agenda; private sector engagement; the involvement of key ministries, to ensure environmental policies and programmes are mainstreamed; and innovative financing approaches.

One participant noted that the GEF needs to identify its strategic advantage in a crowded international financing environment. A CSO representative welcomed the Strategy but called for greater recognition of CSOs' key contributions to GEF objectives by engaging society as a whole. Many Council members supported the draft Strategy's enhanced gender perspective. Many participants called for the Strategy to be a living document, which would be reviewed annually for currency and relevance.

**Decision:** The Council welcomes the draft GEF2020 strategy and requests the Secretariat to finalize the document taking into account comments raised and promptly submit the revised document to the Council for endorsement consideration

by mail. The Council also requested the Secretariat to arrange for discussions on the GEF's long-term Strategy at Council meetings on an annual basis.

#### **SUMMARY OF NEGOTIATIONS OF THE SIXTH REPLENISHMENT OF THE GEF TRUST FUND**

On Sunday, Ramankutty introduced the item (GEF/C.46/07/rev.01), *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund*. He reported that replenishment negotiations concluded successfully during the fourth meeting on 16 April 2014, hosted by Switzerland in Geneva, and said the next step for the Council was to take note of the summary and to endorse three attached annexes and forward the replenishment package to the Assembly for consideration.

One Council member called for future replenishment discussions to be more transparent and for enhanced recipient country participation. Some Council members noted with concern that the needs of small island developing states (SIDS) had not been reflected in the replenishment process.

Welcoming increased contributions from donor countries to the Trust Fund, as well as contributions from recipient countries, a civil society organization (CSO) representative, supported by a Council member, noted that the replenishment was however insufficient.

Some council members, notably from South America, expressed concern regarding the increase of the weight of the GDP per capita index under the GEF-6 as the increase would likely lead to reallocation of resources away from middle income countries.

Acknowledging these concerns, Ishii observed that the replenishment was the result of "very hard work" over 18 months and is the best outcome that could be produced. She said approval of the replenishment would be sought from the World Bank in its capacity as Trustee.

**Decision:** The Council welcomes the successful conclusion of the replenishment and takes note of the summary.

#### **PROPOSAL FOR THE SYSTEM OF TRANSPARENT ALLOCATION OF RESOURCES (STAR) FOR GEF-6**

On Sunday, Ramankutty introduced the document (GEF/C.46/05/rev.01), *Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6*. He requested the Council adopt the proposal to update STAR for GEF-6.

Council members from the Latin American region, supported by Council members from SIDS, reiterated that the GDP index increase did not reflect their socio-economic realities. While expressing appreciation for the increase of resources for LDCs, they called for new indicators and a more refined analysis on how the use of the GDP index can benefit Latin America in particular. GEF-CSO Network cautioned against maintaining only five percent of resources for land use, land-use change and forestry (LULUCF) projects during GEF-6.

Ishii acknowledged some of the shortcomings raised during discussions but requested Council members to respect commitments assumed during the GEF-6 replenishment process

**Decision:** The Council adopts the all the elements of the revised STAR for implementation during GEF-6.

#### **CO-FINANCING POLICY**

On Sunday, the GEF Secretariat introduced the item (GEF/C.46/09) *Co-financing Policy*, outlining the proposed policy's three elements: first, to provide clarity in definitions and approaches to promoting effective co-financing; second, to indicate a level a level of ambition for the overall GEF portfolio to reach a co-financing ratio of at least 6:1 (total



L-R: Ramesh Ramankutty, Neeraj Kumar Negi, and Robert van den Berg, GEF Secretariat, during the session on “Annual Performance Report 2013 Main Findings and Recommendations and Management Response”

co-financing to total GEF resources) and third, to create expectations for greater co-financing for upper middle income countries that are not SIDS. He indicated the proposed approach emphasizes the importance of partnerships, notably with the private sector, in achieving the GEF’s objective of encouraging higher levels of co-financing. He noted the policy draws on analysis conducted for the GEF-6 replenishment discussions and work done for the Fifth Overall Performance Study of the GEF (OPSS5).

In the ensuing discussion, several Council members expressed concern that the 6 to 1 ratio, if applied inflexibly, would make it more difficult for projects in LDCs to obtain GEF support. Some Council members warned that expectations of an even higher ratio for upper middle-income countries could mean that some projects would not seek GEF financing. Other Council members emphasized that the ratio relates to the entire GEF portfolio and would not apply to any specific country or project. Several Council members noted the proposed ratio is a lower level than that achieved in GEF-4 and GEF-5 and, in some cases, underlined that upper middle-income countries are able to attract much higher levels of co-financing. A Council member called for AMR to expand its monitoring of co-financing commitments and to identify key barriers. Several Council members noted that one of the GEF’s core purposes was to help meet incremental costs of addressing global environmental concerns and stressed this is insufficiently covered in the proposed policy.

In response, Ishii acknowledged concerns about the ratio but highlighted that the purpose is to seek to maximize GEF resources’ impact and to strengthen partnerships.

**Decision:** The Council, approves the proposed policy, as revised to incorporate footnotes to: (i) reflect that the GEF grant is determined on the basis of the agreed incremental cost principle; and (ii) to define emergency and other unforeseen circumstances. The Council requests the collaboration of recipient countries, GEF Partner Agencies, and the Secretariat in implementing the provisions of the Policy.

#### **ANNUAL PERFORMANCE REPORT 2013 MAIN FINDINGS AND RECOMMENDATIONS AND MANAGEMENT RESPONSE**

On Sunday, van den Berg introduced the item (GEF/ME/C.46/02) *Annual Performance Report (APR)* explaining that it provides a detailed account of the results of 646 completed projects, as well as processes that may affect results.

The GEF Secretariat presented the report’s conclusions, *inter alia*, noting that 79% of projects and 71% of funding in the APR 2013 cohort have outcome ratings in the satisfactory range but projects in Africa, SIDS, LDCs and fragile states are less likely to have a satisfactory rating. He observed that, over the past eight APR Year cohorts, there has been a substantial increase in the ratio of promised and actual co-financing. He noted that an increased focus on co-financing during the project appraisal process enhances co-financing but may also cause delays in the project cycle.

The GEF Secretariat presented (GEF/ME/C.46/03) the *Management Response to the Annual Performance Report* welcoming the report’s conclusions and noting that the sustainability ratings for both biodiversity and multi-focal projects are on average lower than for other focal areas.

During the ensuing discussions questions included: how the Secretariat would address project cycle delays; reasons for the decrease in satisfactory performance of projects assessed; delays in project approval; and discrepancies between World Bank and GEF project outcome ratings.

In response, van den Berg observed that, on project performance, the World Bank applies a different methodology and has become more stringent in its project ratings since 2011. He said STAP needs to think through how to analyze multi-focal area projects.

The GEF Secretariat noted that the level of project proposals has decreased, bringing the stream of proposals to a more manageable level. He explained that the portfolio of proposals is not the same in terms of agency mix and this had led to a drop in performance.

**Decision:** The Council notes the evaluative information on the performance of the GEF portfolio and business processes and requests the GEF Independent Evaluation Office (IEO) to continue its work on extending coverage of reporting on outcomes to earlier periods and to ensure consistency in reporting on outcomes.

#### **ANNUAL COUNTRY PORTFOLIO EVALUATION REPORT**

On Sunday, van den Berg introduced the item (GEF/ME/C.46/04) *Annual Country Portfolio Evaluation Report 2014* providing a synthesis of Country Portfolio Studies (CPS) and Country Portfolio Evaluations (CPEs) in the Sub-Saharan Africa region focusing on two CPEs (Tanzania and Eritrea)

and one CPS conducted in Sierra Leone. The GEF Secretariat also presented the document (GEF/ME/C.46/05), *Management Response to the Annual Country Portfolio Evaluation Report 2014*.

During the discussions, the GEF IEO provided background on CPS and CPE, outlining some conclusions, notably: confirmation of GEF relevance in promoting an enabling framework for sustainability in the studied countries; a mixed result regarding monitoring and evaluation; and the success of including communities into projects. Some Council members raised the importance of translating GEF documents to the local languages where projects are taking place.

**Decision:** The Council welcomes the report and requests the Secretariat to explore the use of the Small Grants Programme (SGP) country programmes as service providers as a means to implement community level activities for Medium Size and Full Size Projects (MSPs and FSPs) and to disseminate data and information in the relevant national languages.

### WORK PROGRAM

On Monday, Gustavo Fonseca and Robert Dixon, GEF Secretariat, introduced the agenda item (GEF/C.46/06), *Work Program*, noting the program includes the last set of FSP concepts and a programmatic approach bringing to a conclusion the work of GEF-5. Several Council members indicated they would provide technical comments on specific projects. Others noted the importance for governments, in particular economic ministries, to be involved early in the project review cycle and called for GEF to achieve higher visibility in relation to projects. An upper middle-income Council member noted its increased GEF contribution and called for stronger engagement with financial markets. Ishii welcomed the comments and noted all partners should work to



Gustavo Fonseca, GEF Secretariat

increase GEF's visibility.

**Decision:** The Council approves the Work Program comprising 37 new and two resubmitted project concepts, one non-expedited enabling activity, and one programmatic approach, subject to comments that may be submitted in writing to the Secretariat by 9 June 2014.

### REPORT OF THE CHAIRPERSON OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL

On Monday, Rosina Bierbaum, Chair, STAP, introduced the item (GEF/STAP/C.46/Inf.01), *Report of the Chairperson of the Scientific and Advisory Panel*. She highlighted the STAP's recent work, including several publications, and outlined STAP's forward agenda. She noted STAP would



Rosina Bierbaum, Chair of GEF Scientific and Technical Advisory Panel

focus on: improving knowledge flows to and from the STAP; enhancing scientific contributions to the GEF's work, including the social sciences' analysis of relevant sustainable development issues; and prioritizing where STAP's efforts should be targeted, given workloads are increasing. She also suggested STAP can assist GEF with implementing its 2020 strategic direction, including on integrated approaches and enhancing

climate resilience, and offered to work with the Secretariat to establish criteria for future STAP work agendas.

In the ensuing discussion, Council members welcomed the prospect of STAP contributing to GEF's strategic direction and particularly its potential involvement in integrated approach programs. Some members said GEF should take a cautious approach to streamlining project assessment work, noting the very diverse nature of GEF projects would make that difficult. Other members suggested more resources be provided for STAP to enable it to manage an increasing workload. Some members welcomed STAP potentially working on sustainable development dimensions but others warned that GEF's focus on environmental issues needed to remain paramount.

Ishii undertook to retain the critical connection between the GEF's work and scientific analysis. She committed the Secretariat to coordinating closely with STAP and the Council on how STAP could most effectively prioritize its work program.

### WORK PROGRAM AND BUDGET OF THE GEF INDEPENDENT EVALUATION OFFICE (IEO)

On Monday, van den Berg introduced the item (GEF/ME/C.46/01/Rev.01), *Work Program and Budget of the GEF Independent Evaluation Office (IEO)*. He highlighted required activities, including the need to: appoint a new director for the 2015 fiscal year; update monitoring and evaluation policies for the GEF-6 period; prepare a four-year work program and budget for GEF-6; and arrange a follow up to the OPS5.



L-R: Gustavo Fonseca, GEF Secretariat; Robert Dixon, GEF Secretariat; Co-Chair Juha Pyykkö, Finland; Naoko Ishii, GEF CEO and Chairperson; and William Ehlers, GEF Secretariat

He explained that initially the OPSs focused on operational and performance issues but had evolved into comprehensive evaluations that range from impact evidence to performance and organizational issues. He outlined a proposal to continue numbering the OPS but change its name. From the OPS5 the GEF would proceed to the Sixth Comprehensive Evaluation of the GEF (CEG6). He said lower costs for OPS5 had been realized by integrating evidence from regular evaluations.

One Council member expressed appreciation to van den Berg for his work. Another Council member proposed suspending approval of the budget until discussion on the following peer review had been concluded, which the Council agreed to.

**Decision:** The Council approves the annual budget for the IEO for fiscal year 2015 for a total of US\$3.242 million. The Council also approves the multi-annual budget for the evaluation program of the GEF IEO for an amount of US\$0.67 million for evaluations carried out in fiscal year 2015.

The Council requests the IEO to prepare an updated work plan and multi-annual budget for the GEF-6 period, including the preparations for the 6th Comprehensive Evaluation of the GEF, after the new IEO Director has taken up the position in September 2014.

#### **REPORT OF THE SECOND PROFESSIONAL PEER REVIEW OF THE GEF EVALUATION FUNCTION AND MANAGEMENT RESPONSE**

On Monday, Mary Chinery-Hesse, Ghana, presented the item (GEF/ME/C.46/06), *Second GEF Evaluation Office Peer Review*, observing that the IEO had performed very well over the past ten years. She identified several areas requiring attention, including the need for the IEO to bring the learning dimension of evaluations up to par with the accountability dimension. She said the GEF Secretariat and the GEF Agencies had benefited less in terms of learning and pointed out that there is still work to be done to enhance evaluation's utility.

Chinery-Hesse identified stakeholder engagement as an area of weakness. She highlighted the need to align IEO activities to the needs and priorities of stakeholders. Going forward, she underscored "relevance" and "timeliness" as key words for the future and recommended that the IEO engage more meaningfully with the GEF Secretariat and the GEF Agencies to ensure final products are timely and owned by the GEF network. She said the GEF council should hold more strategic discussions on the IEO work program.

Van den Berg presented *The Management Response to the Report of the Second Professional Peer Review of the GEF Evaluation Function*, thanking the IEO team for their work. He acknowledged that the issue of utility was difficult to address but partners had been successfully engaged with learning coalitions and looked forward to working with the GEF Secretariat on CPS.



Mary Chinery-Hesse, Ghana

In the ensuing discussion, one Council member called for developing IT solutions to enhance the evaluation of annual performance reports in order to reduce time pressures. On closing the learning loop, another Council member noted that evaluations are only valuable if the institution absorbs their lessons. Another Council member added that the GEF Council and the GEF Secretariat should be engaged in priority-setting noting that the GEF Secretariat tended to view evaluations as something that "had to be done" and not something that they wanted to do.

**Decision:** The Council requests the IEO in consultation with the Secretariat, STAP and the GEF Agencies, to take the findings and recommendations of the peer review, as well as comments made during the Council meeting, into account when preparing the Work Program of the Office for GEF-6.

#### **GEF BUSINESS PLAN AND FY15 CORPORATE BUDGET**

On Monday, Peter Lallas, GEF Secretariat, introduced the item (GEF/C.46/08/Rev.01), *GEF Business Plan and FY15 Corporate Budget*. He provided an overview of the budget allocation for the 2015 fiscal year (FY15), the first year of the GEF-6 period corresponding to July 2014 – June 2018.

During the discussion, several Council members expressed satisfaction with the future work plan and welcomed the increased funds for STAP. Some requested clarification on the intended use of increased resources at the Secretariat, while others inquired about the functioning of integrated approaches under GEF-6. Lallas responded that new resources will be used mainly for staff capacity-building, recruitments, and for improving knowledge management and communication activities.

**Decision:** The Council takes note of the business plan and approves a FY15 corporate budget from the GEF Trust Fund of US\$24.668 million. In addition, the Council approves a total FY15 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of US\$49,600.

#### **GEF SMALL GRANTS PROGRAMME: IMPLEMENTATION ARRANGEMENTS FOR GEF-6**

On Monday, William Ehlers, GEF Secretariat, introduced the item (GEF/C.46/13) *Implementation Arrangements for GEF-6, SGP*. He noted that, for GEF-6, SGP country programmes will be able to select from a set of four multi-focal strategic initiatives, including: Community Landscape and Seascape Conservation, Climate Smart Innovative Agro-ecology, Low Carbon Energy Access Co-benefits and Local to Global Chemical Management Coalitions.

During discussions, many Council members expressed satisfaction with the results of SGP, notably in the improvement of livelihoods. Another highlighted the importance of SGPs in post-conflict countries, while cautioning against the risks of mandatory co-financing rates in vulnerable countries. A Council member requested more information on how SGPs could be further channeled to LDCs



William Ehlers, GEF Secretariat

and SIDS. Noting some cases of “unhealthy competition” for resources during GEF-5, the Secretariat highlighted that countries that have up to US\$15 million have no obligation to designate SGPs allocation and it is the better resourced countries under the STAR that will contribute to the SGPs.

The GEF CSO-Network acknowledged the effectiveness of the SGP in building CSO capacity, but raised concerns about a potential paradox between the GEF2020 strategic goals regarding CSOs and their reduced resources for this purpose compared to GEF-5.

**Decision:** The Council approves the proposed implementation arrangements for country programs of the SGP.

### **RELATIONS WITH THE CONVENTIONS AND OTHER INTERNATIONAL INSTITUTIONS**

On Monday, Kerstin Stendahl, Executive Secretary *ad interim* of the Basel, Rotterdam and Stockholm Conventions, introduced the item (GEF/C.46/03), *Relations with the Conventions and Other International Institutions*.

During discussions, one Council member requested further information on the status of the Stockholm and Minamata Conventions with respect to the Joint Development Plan. Another Council member suggested that future reports on this issue could focus, for example, on how the GEF is planning to coordinate activities with each of the relevant Conventions in the future, as well as key issues related to the GEF during the Conference of the Parties (COPs). Some members noted the importance of “being in tune with the future,” raising concerns over the relationship between the GEF and the recently created UNFCCC Green Climate Fund (GCF) with respect to the changing spectrum of climate finance. Ishii acknowledged growing competition on climate finance and underscored that the GEF2020 tries to foster complementarities among global sustainable development mechanisms.

**Decision:** The Council welcomes the Secretariat’s report and requests the GEF network to continue supporting recipient countries to implement the guidance and national priorities in its GEF programming and activities.

### **UPDATE ON THE NAGOYA PROTOCOL IMPLEMENTATION FUND**

On Monday, Gustavo Fonseca, GEF Secretariat, introduced the item (GEF/C.46/12), *Update on the Nagoya Protocol Implementation Fund (NPIF)*. He explained that the NPIF was established to promote the early entry into force and effective implementation of the Nagoya Protocol. He said no new

activities under the NPIF would be approved beyond 30 June 2014, as such activities would be funded by the GEF Trust Fund under GEF-6.

One Council member supported by others, noted that the decision was loosely drafted and ventured beyond what was required. She proposed alternative language taking note of good progress made by the GEF Secretariat in managing the NPIF and deciding that currently funded NPIF activities should be able to continue while funding lasted but no later than 31 December 2020.

**Decision:** The Council decides to extend the operation of the NPIF until 31 December 2020 to allow continuation of project preparation for and implementation of the Project Identification Form (PIF) approved projects. The Council decides not to approve new PIFs under the NPIF after 30 June 2014 and decides to deliberate on the future of the fund taking into consideration the decision from the CBD COP12.

### **APPOINTMENT OF THE DIRECTOR OF THE IEO**

The GEF Council adopted a decision (GEF/C.46/CRP.02) appointing Juha Uitto (Finland) as the new Director of the GEF’s IEO.

### **OTHER BUSINESS**

**GEF Project Agencies Accreditation:** On Tuesday, Ramankutty, GEF Secretariat, introduced the item (GEF/C.46/CRP 01), *Progress Report on Pilot Accreditation of GEF Project Agencies*, observing that DBSA and IUCN had received approval from the Accreditation Panel to progress from Stage II to Stage III and that the GEF Council was requested to approve initial grant ceilings for IUCN and DBSA.

Several Council members called for a strategic discussion on the accreditation process for new Project Agencies during the next Council session. Ishii acknowledged the ambiguity of past decisions taken by the Council on this matter and the need to agree on a timeline for the accreditation process. She said the issue would be considered during the next Council meeting.

**Decision:** The Council notes the status of the Stage II reviews conducted by the Accreditation Panel to date and that DBSA and IUCN have received approval from the Panel to progress from Stage II to Stage III.

The Council approves initial grant ceiling for IUCN and DBSA:

- individual project ceiling for a GEF grant: USD\$27.4 million for IUCN and US\$206.6 for DBSA; and



Juha Uitto (center), Finland, was appointed as the new Director of the GEF’s Independent Evaluation Office.

- total project ceilings: US\$75.8 million for IUCN and US\$360 million for DBSA

**Dates for future sessions:** The Council agreed to convene the fall session of the GEF Council meeting in 2015 from 20-22 October 2015.

### **LEAST DEVELOPED COUNTRIES FUND (LDCF) AND SPECIAL CLIMATE CHANGE FUND (SCCF) MEETING**

On Tuesday morning, Ishii opened the meeting and invited Bhuban Karki, Under Secretary, Ministry of Finance, Nepal, to make opening remarks on behalf of the Chair of the LDC Group under the UNFCCC. He noted that, except for South Sudan, the National Adaptation Programmes of Action (NAPAs) process had been completed for the LDCs. He expressed satisfaction with the national adaptation plan process but observed that financing was a major issue. He noted that the LDCF had grown but additional contributions are needed to address the urgent needs of LDCs, as well as for meeting the estimated cost of full NAPA implementation.

In her introductory remarks, Ishii stressed that it was “critical to avoiding locking in a development pathway that leaves us more vulnerable in the future,” noting that both adaptation and mitigation are urgently required.

Ishii observed that GEF-6 places emphasis on integrating adaptation in key policies, plans and decision-making processes. She noted that, on an operational level, greater private sector engagement would be explored particularly on risk transfer and insurance. Ishii underlined that gender inequality may leave women less able to cope with climate change impacts and highlighted proposed strategies including: a gender sensitive vulnerability assessment; improved budgeting to identify activities to address women’s adaptation needs; and improving women’s participation in project development and implementation. She said it was important to recognize that the adaptation programme is built on a solid foundation, is performing well and delivering benefits across regions and sectors. She emphasized the need to maximize complementarities and synergies with other players and instruments, noting that the GEF remains well placed to respond to urgent adaptation needs of vulnerable developing countries and that it can do more to capture and disseminate knowledge to enhance adaptation globally.

The Council then adopted the agenda (GEF/LDCF.SCCF.16/01/Rev.01).

### **GEF PROGRAMMING STRATEGY ON ADAPTATION TO CLIMATE CHANGE FOR THE LDCF AND SCCF**

On Tuesday, Robert Dixon, GEF Secretariat, introduced the item (GEF/LDCF.SCCF.16/03), *GEF Programming Strategy on Adaptation to Climate Change for the LDCF and SCCF*. He highlighted three strategic objectives: reducing vulnerability

of people, livelihoods and physical assets; strengthening institutional and technical capacities for effective climate change adaptation; and integrating climate change adaptation into relevant policies, plans and associated processes.

He observed that demand for LDCF and SCCF resources remains high and recent progress demonstrates the absorptive capacity of recipient countries.

During the ensuing discussion, Council members welcomed the Strategy’s focus on mainstreaming adaptation and the prominence

given to gender considerations. Several Council members called for strategic thinking on the GEF’s role within the evolving climate finance architecture. Another Council member recommended that the Secretariat further engage with recipient countries to enhance absorptive capacities.

The CSO Network

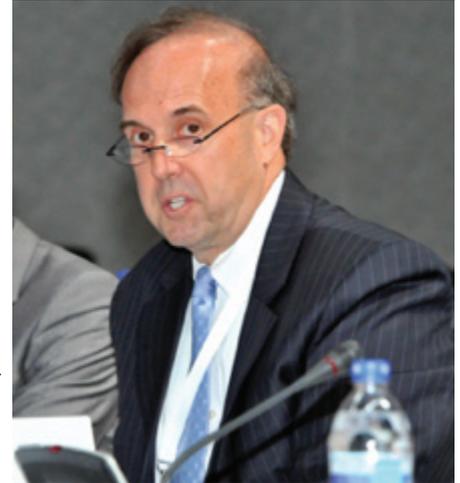
welcomed the Strategy saying it should also aim to plan for risk and build resilience. He called for consideration of the form and function of private sector engagement under the Strategy.

One Council member called for additional categorization between LDCs and upper middle-income countries to enable access to funds for vulnerable countries that are currently ineligible for LDCF assistance. He also highlighted that serious land degradation in eastern and northern Africa compounds climate change impacts.

**Decision:** The LDCF/SCCF Council welcomes the Strategy and endorses it as a basis for programming resources under the LDCF and the SCCF from 1 July 2014 to 30 June 2018.

### **PROGRESS REPORT ON THE LDCF AND SCCF**

On Tuesday, Dixon introduced the item (GEF/LDCF.SCCF.16/04), *Progress Report on the LDCF and SCCF*. On the LDCF, he noted that, during the reporting period of October 2013 to April 2014, cumulative pledges increased by US\$100.32 million to end-February to reach US\$879.12 million, of which 94% had been paid. He observed that demand nonetheless continues to exceed available resources. In relation to the SCCF, he noted that during the reporting period



Robert Dixon, GEF Secretariat



GEF Council members

cumulative pledges increased by US\$2.16 million to reach US\$333.10 million by the end of February, of which 90% had been paid.

**Decision:** The Council notes with appreciation the progress made under the LDCF and the SCCF.

#### ***FY13 ANNUAL MONITORING REVIEW (AMR) FOR THE LDCF AND THE SCCF***

On Tuesday, Dixon introduced the item (GEF/LDCF.SCCF.16/05) *FY13 Annual Monitoring Review for the LDCF and the SCCF*. He noted the report provides analysis of the performance of the active portfolio of adaptation projects under the LDCF and the SCCF, as well as considering issues around gender mainstreaming and stakeholder engagement. He noted the GEF Secretariat received project implementation reports (PIR) for 39 LDCF projects, with funding commitments of US\$134.98 million as of 30 June 2013, with US\$632.79 million in confirmed co-financing. Of these 39 projects, 92% received an implementation progress (IP) rating of moderately satisfactory (MS) or higher. He also noted that under the SCCF, the GEF Secretariat received 20 PIRs and one Terminal Evaluation. Total SCCF funding commitments towards these 21 projects amounted to US\$94.29 million as at 30 June 2013, with US\$588.52 million in confirmed co-financing. Under the SCCF, 90% received an IP rating of MS or higher.

In the ensuing discussion, Council members welcomed the report providing an assessment of the Funds' projects' results for the first time. They also welcomed the use of socio-economic indicators assessing the number of people directly affected by projects, as well as reporting on gender. Several Council members called for additional reporting in the future on cumulative achievements. The Chair noted the strong support for the AMR process.

**Decision:** The LDCF/SCCF Council welcomes the Review and appreciates the progress made in reporting portfolio-level performance and results under the LDCF and the SCCF. The Council welcomes the overall finding that all LDCF projects and 95% of SCCF projects under implementation in FY13 are rated in the satisfactory range for their progress towards development objectives.

#### ***WORK PROGRAM FOR THE SCCF***

On Tuesday, Dixon introduced the item (GEF/LDCF.SCCF.16/06), *Work Program for the SCCF*. He noted that the program consists of a single FSP requesting a project grant of US\$4.366 million and an agency fee of US\$0.415 million, and that co-financing for the project is US\$99.7 million. He noted that this project represented 71% of available resources and that demand continues to exceed supply.

**Decision:** The LDCF/SCCF Council approves the Work Program amount of US\$4.781 million for the SCCF, including project grants and Agency fees.

#### ***PROGRESS REPORT AND FY 2015 WORK PROGRAM AND BUDGET FOR THE IEO UNDER THE LDCF AND SCCF***

On Tuesday, Anna Viggh, IEO, introduced the item (GEF/LDCF.SCCF.16/ME/01), *Progress Report and FY 2015 Work Program and Budget for the IEO under the LDCF and the SCCF*. She outlined the IEO's proposed activities for the coming fiscal year, including in relation to the growing workload of evaluations of the LDCF and SCCF projects, as the portfolio matures, and development of monitoring and evaluation guidelines.

**Decision:** The Council approves a budget for the Evaluation Office of US\$64,000 for FY15 to cover the cost of implementing the proposed Work Program.

#### ***FY15 ADMINISTRATIVE BUDGET FOR THE LDCF AND THE SCCF***

On Tuesday, Dixon introduced the item (GEF/LDCF.SCCF.16/07), *FY15 Administrative Budget for the LDCF and the SCCF*. He outlined the proposed budget and noted that it represents expected resource needs for operationalizing planned FY15 activities for the two funds.

**Decision:** The LDCF/SCCF Council, approves the proposed budget for the GEF Secretariat, STAP, the Trustee and the GEF IEO, as follows: US\$1,020,132 (GEF Secretariat), US\$121,000 (STAP), US\$323,700 (Trustee), and US\$37,000 (GEF IEO) from the LDCF; and US\$508,923 (GEF Secretariat), US\$121,000 (STAP), US\$167,000 (Trustee), and US\$27,000 (GEF IEO) from the SCCF.

#### ***ANNUAL EVALUATION REPORT FOR THE LDCF AND THE SCCF AND MANAGEMENT RESPONSE 2013***

Van den Berg and Viggh, introduced the item (GEF/LDCF.SCCF.16/ME/02), *Annual Evaluation Report for the LDCF and the SCCF and Management Response 2013*. Van den Berg noted that this was the first such report and presents an assessment of the terminal evaluations of completed LDCF/SCCF projects submitted in fiscal year 2013. He further noted that future reports would become ever more substantial assessments of the funds' achievements as more projects are completed and evaluated. Viggh then outlined the report's findings, including that the completed projects show progress in addressing a number of themes deemed beneficial to overall project success such as: involvement of local stakeholders in the decision making process; inclusion of a focus on gender



L-R: Jorge Legorreta, Ministry of Environment and Natural Resources (SEMARNAT), Mexico; León Gutiérrez Ferretiz, President of the Regional Consultative Council on Sustainable Development for the South-South East of Mexico; Rodolfo Lacy Tamayo, SEMARNAT; Naoko Ishii, GEF CEO and Chairperson; and Chair Faizal Parish, GEF-CSO Network Central Focal Point.

issues; and greater dissemination of information to the public. She also noted the report's findings that projects often lack a focus on monitoring and evaluation.

Dixon also introduced the item (GEF/LDCF.SCCF.16/ME/03), the *Management Response to the Evaluation Report* notably that the GEF Secretariat agrees with the report's conclusions. A Council member welcomed the first evaluation report and noted that he looks forward to such reports being prepared on a regular basis, noting the sample size at this stage is small.

**Decision:** The Council notes the information on the progress of the LDCF and SCCF. The Council requests the IEO to develop the Annual Evaluation Report as the portfolios mature to become strong sources of information and tools for decision making.

#### **OTHER BUSINESS**

The US indicated that it is planning, subject to congressional approvals, to pledge a further US\$25 million for LDCF and US\$10 million for SCCF. Finland announced that it would make an annual contribution of EUR 1.6 million for LDCF and EUR 0.9 million for the SCCF.

#### **JOINT SUMMARY OF THE CHAIRS AND CLOSING**

The closing plenary of the GEF Council meeting took place on Tuesday afternoon. Council Members received a draft Joint Summary of the Chairs for both the GEF Council meeting and the LDCF/SCCF meeting, which included the decisions they had adopted during the meetings.

Several Council members noted that they wished the meeting's formal record to register their concerns that the GEF-6 replenishment process had not taken account of their requests and, in the case of SIDS, had not sufficiently reflected their vulnerability, which was recognized under the UNFCCC and other UN bodies. The GEF Council adopted the proposed Joint Summary of the Chairs for the GEF Council after discussion and clarification. The Joint Summary of the Chairs for the LDCF/SCCF was also adopted.

Co-Chair Pyykko thanked Ishii and the GEF Secretariat for support during the meeting. Reflecting on discussions, Ishii noted that over three days an important transition from GEF-5 to GEF-6 had been made and observed that GEF2020 is a living document, providing a reference point for future discussion. She said the need to seriously reflect on the future of the GEF had been confirmed and that it is important for the GEF family to come together and work coherently. The GEF Council closed at 2:06 p.m.

## **REPORT OF THE FIFTH MEETING OF THE GEF ASSEMBLY**

On Wednesday, 28 May, Fernando Aportela, Under-Secretary of Finance, and Public Credit, Mexico, opened the meeting and welcomed participants to Cancún, expressing



Fernando Aportela, Under-Secretary of Finance of Mexico

hope that the fifth meeting of the GEF Assembly would devise the GEF's strategy to help countries achieve green growth and long-term socio-economic development. Delegates then watched a video highlighting GEF projects in Mexico.

Juan José Guerra, Secretary of Environment and Natural Resources, Mexico, highlighted

climate change, poverty alleviation, food security and population growth as major challenges facing humanity that need joint action.

Naoko Ishii, CEO and Chairperson, the GEF, said the current meeting offered an opportunity to celebrate: the GEF's strong in country engagement; its expanding network and mandate with four new Project Agencies and its new role as the financial mechanism of the Minamata Convention on Mercury; and the successful conclusion of its sixth replenishment. She said the meeting could set out a roadmap to help the GEF catalyze action and help deliver some of the solutions the world was looking for to address unprecedented sustainable development challenges.



Juan José Guerra, Secretary of Environment and Natural Resources of Mexico

#### **Organizational Matters:**

Delegates elected Juan José Guerra, Secretary, Environment and Natural Resources, Mexico, as Chair of the fifth GEF Assembly. They then elected Bruno Oberle, Director, Federal Office for the Environment, Switzerland, and Judi Wakhungu, Minister of Environment and Water Resources, Kenya, respectively, as Vice-Chairs for donor and recipient countries.

Delegates adopted the proposed agenda and organization of work (GEF/A.5/01).

#### **AMENDMENTS TO THE INSTRUMENT**

On Wednesday, 28 May 2014, William Ehlers, GEF Secretariat, presented the draft decision to amend the Instrument for the Establishment of the Restructured Global Environment Facility (GEF/A.5/09). He noted the decision proposes replacing the focal areas on ozone depleting substances and persistent organic pollutants with a single "chemicals and waste" focal area, updating eligibility criteria, adding the Minamata Convention on mercury to the list of MEAs the GEF supports, and incorporating the IEO as one of the bodies of the institution. The decision was adopted.

#### **REPORT ON THE GEF TRUST FUND**

On Wednesday, Chair Guerra introduced *GEF-5 Funding Retrospective* (GEF/A.5/06), the report of the Trust Fund. Delegates took note of the report.

#### **PRESENTATION ON GEF2020**

On Wednesday, Ishii introduced the proposed GEF 2020 Strategy (GEF/A.5/10), which she noted had been welcomed by the GEF Council. She said the Strategy focused on five strategic priorities: drivers of environmental degradation; delivering integrated solutions to environmental challenges; enhancing climate resilience and adaptation; ensuring complementarity and synergies in climate finance; and working with beneficiary countries to transform policy and regulatory environments, strengthen institutional capacities and decision-making processes.

#### **REPORT ON THE SIXTH REPLENISHMENT OF THE GEF TRUST FUND**

On Wednesday, Ishii introduced the *Report on the Sixth Replenishment of the GEF Trust Fund* (GEF/A.5/07/Rev.01), noting that the replenishment package had been endorsed by the GEF Council. She attributed the success of the replenishment to a shared sense of urgency to turn around global environmental deterioration and donor confidence in the

GEF. She expressed excitement over new initiatives that will be launched under GEF-6, including pilot programs to address underlying drivers of environmental degradation.

In the ensuing discussion, Mexico expressed appreciation for the opportunity to establish a network with the private sector. Brazil highlighted its increased contributions to the GEF Trust Fund replenishment and suggested that countries work closely with the Secretariat to evaluate the impacts of the agreed replenishment package on GEF's capacity to generate global environmental benefits. The Assembly took note of the report.

#### **STATEMENT BY THE SCIENTIFIC TECHNICAL ADVISORY PANEL (STAP)**

On Wednesday, Rosina Bierbaum, STAP Chair, presented the *Report of the Scientific and Technical Advisory Panel* (GEF/A.5/03). Stressing that climate change threatened GEF's achievements, she said immediate action and transformational changes across sectors were needed, including significant investments in energy efficiency and renewable energy. She said key messages in the report included the need to tackle environmental degradation in a more integrated way to yield multiple benefits; put environmentally sustainable development at the core of GEF interventions; and continue GEF's catalytic and innovative role to bring about change.

In the ensuing discussion, Lebanon queried the STAP's recommendations regarding the environmental impacts of war. Mexico asked if new partnerships should be created to promote transfer of technology from developed to developing countries.

In response, Bierbaum said that the STAP had identified environmental security as one area of future research under GEF and that new partnerships, funding and ways of working were needed in the field of technology to address challenges such as climate change, suggesting new indicators on this issue could be developed under integrated approaches.

Uganda and Nicaragua supported the proposed integrated, crosscutting strategy but noted it could only be implemented if adequate financial support is provided to developing countries. Tunisia said the GEF would need to build on its projects and, with Vietnam, suggested it should look for synergies with the work of other environmental funding organizations.

Ishii responded that implementing the integrated approach would require bringing along the entire GEF family and this would be a key challenge for the GEF in the coming years. She urged delegates to contribute their ideas on this issue during the Assembly's roundtables. Bierbaum noted that integrated approaches could lead to economies of scale.

Jamaica asked about the STAP's work in relation to SIDS and Bierbaum responded that environmental impacts in SIDS were considered in several of the STAP's recently released publications.

Chair Guerra closed the item noting that during a recent meeting Central American ministers had stated that urgent action was needed to avoid reaching global environmental tipping points.



Ephraim Kamuntu, Uganda

#### **STATEMENT BY THE GEF INDEPENDENT EVALUATION OFFICE (IEO)**

On Wednesday, Robert van den Berg, Director, GEF IEO, introduced the item (GEF/A.5/04), *Fifth Overall Performance Study of the GEF*, noting that the GEF has a robust evaluation culture. He presented a short video outlining the overall performance study's (OPS5) main conclusions. He then summarized these, saying that OPS5 found that: the GEF is achieving its mandate and objectives; the delivery model is slow and inefficient; and the GEF needs to make strategic choices to improve its business model, including by focusing more on programmatic approaches rather than operating primarily at the project level.

#### **REPORT ON GEF MEMBERSHIP**

On Wednesday, the Assembly took note of the report (GEF/A.5/05), which calls upon the Assembly to keep under review the membership of the GEF, presently composed of 183 members.

#### **CSO STATEMENT**

On Wednesday, Maria Lechner, Fundación ECOS, Uruguay, on behalf of civil society organizations (CSOs), reported on the CSO Forum, which took place on 27 May in Cancún, observing that over 200 CSO representatives had attended the event. She suggested that the GEF should encourage more meaningful participation of CSOs at an early stage of the project cycle and noted the need to update GEF's guidance on CSO engagement. She added that the GEF should strengthen the capacity of CSOs in order to effectively spur collaborative approaches, highlighting the need to mainstream gender and youth participation into GEF's work.

#### **ROUNDTABLES**

Four roundtable discussions were held on Wednesday afternoon and three on Thursday morning. During the sessions, delegates took part in an interactive exchange of views based on the roundtable themes.

#### **Roundtable 1: Financing**

**Green Growth:** Joachim von Amsberg, World Bank, moderated the discussion, inviting participants to share experiences and lessons for financing green growth and to reflect on what the GEF could do to mobilize, catalyze and incentivize financing for green growth.

Fernando Aportela, Under-Secretary of Finance and Public Credit, Mexico, stressed the key role of positive government incentives and smart regulations, as well as multi-stakeholder partnerships, in promoting green growth.

Daniel Servitje, CEO, Grupo Bimbo, said that renewable energy needs large upfront investments and thus public policies and the involvement of development banks are requisite to make renewable energy viable over the long term.

Mohale Rakgate, Development Bank of Southern Africa, said the bank strived to identify areas where infrastructure and green economy market failures existed and outlined the bank's work in the renewable energy sector and ongoing projects in three areas: low-carbon; green cities and towns; and natural resources management.



Maria Lechner Kindsvater, Regional Focal Point for the South American Region and GEF-NGO Network/Fundación ECOS, Uruguay



The dais during the roundtable on “Financing Green Growth.” L-R: Peter Seligmann, CEO, Conservation International; Li Yong, Director General, UNIDO; Moderator Joachim von Amsberg, World Bank; Fernando Aportela, Under-Secretary of Finance, Mexico; Mohale Rakgate, Development Bank of Southern Africa; and Daniel Servitje, CEO, Grupo Bimbo.

Li Yong, Director-General, UNIDO, outlined UNIDO’s approach to green growth, noting that it has recently adopted a new mandate to make sustainability central to industrial development. He said future development would be based on low-carbon technologies and outlined a range of strategies UNIDO is adopting to support sustainable industrial development, including: getting public sector policies right; boosting knowledge networks to promote innovation and trade; and looking for synergies between international organizations’ green growth approaches to facilitate investment flows. He suggested the GEF and UNIDO work together in these areas.

Peter Seligmann, CEO, Conservation International, stated that private sector companies now recognize that environmental stewardship to maintain their supply chains is in their own interest. He said it is important for governments to adopt measures that reflect the full environmental costs of production and stressed the continued need to put a value on natural resources.

In the ensuing discussion, Colombia welcomed the call for holistic crosscutting approaches on valuing natural capital but argued that coordinated action is challenging at the national level, let alone at the international level. Italy emphasized the need for governments to drive political change, remove subsidies and incentives and pass the costs of green growth investment on to industry and end-consumers.

South Sudan stressed the need for the GEF to focus on and mobilize additional resources for food security, renewable energy and nature conservation, and to ensure equitable allocation of resources. The US queried how institutional investors could become more involved in green growth. Sierra Leone stressed the need to promote the greening of small-scale agriculture and other small industries. Lebanon urged convincing citizens that promoting green growth does not counter economic development and suggested addressing environmental challenges through the UN Security Council.

Responding to comments, Aportela said government involvement in projects could help attract institutional investors into green growth investments. Rakgate suggested creating platforms to bring in institutional investors through funds rather than individual green growth projects, stressing

that going green was not necessarily more expensive in the long term. Servitje said eliminating harmful price subsidies and putting long-term policies in place were key to promote green growth. Seligmann stressed the need to better communicate with the public and to define new governance approaches to address environmental challenges.

Closing the discussion, von Amsberg summarized as key messages that: greening growth is imperative; existing public policies and partnerships show the way forward; current initiatives can be scaled up to reverse current trends; and green growth policies need public support from all sectors, including labor and civil society.

#### **Roundtable 2: Mainstreaming Natural Capital into Decision-Making:** Bierbaum moderated the roundtable.

Fernando Aportela noted it was important to carefully measure natural capital value in order to better manage natural resources. He outlined that low-income communities suffered most if natural resources were not properly managed. He then noted innovative actions Mexico has undertaken to encourage better management of natural capital, notably fiscal reforms to use oil revenues to support a sustainability fund.

Braulio de Souza Dias, Executive Secretary, Convention on Biological Diversity (CBD), noted the CBD’s starting point is valuing biodiversity in various ways. He encouraged governments to integrate biodiversity values into national accounting and economic policy, and to take innovative actions such as payments for ecosystem services, green procurement and fiscal incentives.

Carlos Roxo, Fibria, noted that companies such as his Brazilian forest products company value natural capital as part of their core business. He also called for cross-sectoral dialogue to bring this value into formal business accounting practice.

José Sarukhán Kermez, National Commission for Knowledge and Use of Biodiversity, Mexico, said it is important to make it profitable for communities, which owned 70-80% of Mexico’s natural capital, to do things sustainably. He encouraged the GEF to support further measurement of biodiversity and he noted Mexico had invested heavily in such measurement as a precursor to taking strong action on sustainability.

Eduardo Sojo, National Institute of Statistics and Geography, Mexico, said countries could use international standards adopted in February 2012 for environmental accounting to better understand their economic activities. He



Alejandra Torres Dromgold, Colombia

shared his organization's experience with creating natural resources inventories to determine the ecological impact of specific sectors.

Tshekedi Khama, Minister of Environment, Wildlife and Tourism, Botswana, shared his country's successful experience with natural capital accounting in collaboration with the World Bank, noting such accounting helped to better manage resources and promote changes to address unsustainable practices.

In response to the moderator's questions, Khama stressed the role of political will in natural capital accounting, while Aportela emphasized the need to: develop national capacities to measure natural capital; conduct cost-benefit analyses to translate numbers into policy; and consider income inequality in policy development.

In the discussion that ensued, Costa Rica queried political incentives or arguments that it could be used to mainstream biodiversity conservation into national economies given the political and economic benefits of business-as-usual. Dias said the sustainable development goals (SDGs) under negotiation should provide such incentives, while Sarukhán Kermez suggested the need to consider the ethical and social implications of business-as-usual, which Sojo said was not environmentally sustainable. Italy encouraged the GEF to become involved in ambitious initiatives in this area. Ferreira said the GEF could do this through financing and agreed that accounting helped to build public awareness on natural resources, which in turn led to better policies. Roxo said one way to move forward was to set a price on natural and social capital and look at the long-term.

Guinea expressed concern that indigenous people's concerns were not highlighted sufficiently in the discussion, yet they were often the forests owners.

Concluding the session, Khama outlined Botswana's land concessions approach, in which approved management plans give traditional owners access to an annual levy, noting the need to prevent corruption. Roxo said companies operating sustainably in the Amazon face fierce price competition and that regulatory interventions could level the playing field. Bierbaum stated ecosystems are better valued now than a decade ago but it was important to get various agencies working together to expedite effective action. She added the SDGs process could provide an avenue for scaling up action and concluded that the GEF has a role facilitating the evaluation of natural capital and embedding it in GEF-6.

**Roundtable 3: Role of Legislation in Protecting the Global Environment.** Moderator David Barron, International Conservation Caucus Foundation, opened the panel discussion inviting Luis Videgaray Caso, Minister of Finance and Public Credit, Mexico, to introduce the discussion. Caso outlined Mexico's recently enacted legislation on climate change and highlighted the importance of enhancing parliamentary engagement on sustainability issues.

Graham Stuart, Chairman of the Board, GLOBE International, UK, stressed the role of the GEF in facilitating national implementation of international legislation, noting the importance of legislators making policies "real."

Ibrahim Thiaw, Deputy Executive Director, UNEP, suggested that for issues such as REDD+, climate change and land degradation, legal cooperation was needed at the international, regional, national and local levels. Lourdes Adriana Lopez Moreno, Federal Deputy, Congress, Mexico, suggested that legislators should not only draft enabling domestic legislation for implementing international

agreements, but should also identify policy priorities and assess implementation of legislation. James Lembeli, Member of Parliament, Tanzania, supported legal mechanisms to recognize village ownership of carbon benefits from REDD+. Stuart called on all developed countries to adopt comprehensive climate legislation and for enhanced efforts to educate developing country legislators on climate change issues and possible policy responses. Fifth GEF Assembly Chair Guerra said the GEF should play a greater role in identifying best legislative practices.

Responding to a question on what the GEF should prioritize regarding the legislative agenda, panel members suggested analyzing the impacts of existing environmental



Ibrahim Thiaw, Assistant Executive Director, UNEP



James Lembeli, Member of Parliament, Tanzania



Participants during the roundtable on "Role of Legislation in Protecting the Global Environment."

laws in leading countries and improving legislator capacity to understand complex environmental issues and possible policy responses to them.

During the following discussion, participants focused on the challenges of adopting a long-term perspective when creating new law. In response, Moreno emphasized the need to educate the public on environmental issues. Thiaw urged states to ratify the Minamata Convention noting that legislation is a vital tool for protecting natural capital. Stuart said policy-makers need to make sure that a concrete budget line and solid legislation give effect to environmental programmes proposed by international agencies. Caso said the GEF should continue to work on enabling legal frameworks, particularly on climate change. Lembeli noted the need to improve legislator engagement on environmental issues.



Rodolfo Lacy Tamayo,  
SEMARNAT

**Roundtable 4: Sustainable and Resilient Cities:** Opening the session, Rodolfo Lacy, Under-Secretary for Planning and Environmental Policy, Mexico, said it was important for the GEF to help design sustainable cities that move from the classic concept of cities and their unsustainable consumption of resources to cities that manage everything with a life cycle approach while becoming resilient to

climate change.

Gino Van Begin, Secretary General, ICLEI Local Governments for Sustainability, underscored the need to move away from fossil fuels and encouraged citizens, the private sector and academia to get more involved in local sustainability action plans.

Maimunah Mohd Sharif, Mayor, Seberang Perai, Malaysia, spoke about the challenges and actions related to providing green services to citizens. She emphasized partnerships and coordination as being fundamental “to make things work on the ground.”

Boris Graizbord, Colegio de México, Mexico, highlighted the uniqueness of cities and called attention to the need to adapt programs to local contexts and the importance of helping cities to learn from each other.

Bernardo Baranda Sepúlveda, Transportation and Development Policy Institute (IPTD), urged the GEF to focus on helping cities not only with the technical and project management portions of city projects, but also with social and implementation aspects.

Responding to a question about linkages between national policy and local action, Lacy suggested that the GEF’s national projects on sustainable cities could be made conditional upon bringing cities together to solve common problems.

Responding to a question on practical ideas to guide the GEF in the sustainable cities area, panel members suggested, *inter alia*: taking an integrated city approach to linked issues such as climate change, energy and transport; creating programs to help cities overcome existing problems resulting from unplanned development; fostering benchmarking for sustainable city development; enhancing interaction between municipalities of different countries; facilitating involvement of communities in sustainable urban policy development; and finding ways for urban planners to continue to work on projects over periods longer than political cycles.

During the ensuing discussion, delegates focused on questions related to solutions for cities in rapidly developing countries such as Brazil, China and India, policies for rural areas, small island developing states, and mechanisms to incentivize urban sustainability. One delegate recalled the Medellín Declaration of the World Urban Forum and inquired about urban actions to combat poverty. Van Begin emphasized that citizens must be brought on board in formulating and implementing urban policies.

The panel agreed that sustainable cities are only possible if rural areas are also sustainable, noting the importance of “rural services” such as provision of clean water.

Moderator Ede Ijjasz-Vasquez, World Bank, concluded the discussion by saying that “shared prosperity” must be a key goal when promoting sustainable cities.

**Roundtable 5: Nexus of Energy, Water and Food**

**Security:** Andrew Steer, President and CEO, World Resources Institute, moderated the discussion.

Leonardo Rodríguez, Ministry of Energy, Mexico, said sustainable development could not be achieved unless the food, water and energy sectors worked closely together.

Monique Barbut, Executive Secretary, UN Convention to Combat Desertification (UNCCD), said building a food-energy-water nexus around better land use had great potential, noting improvements in 25% of sub-Saharan Africa’s land would produce an additional 25 million tons of food crops. She suggested the GEF focus on rain-fed agriculture, no-till farming, groundwater management, land tenure, and small-scale agriculture.

Shenggen Fan, Director-General, International Food Policy Research Institute, urged a focus on: people and small-scale holders to promote links between water, energy and food security; phasing out environmentally damaging water, energy and food subsidies; and building the capacity of smallholders to mitigate and adapt to climate change and other shocks.

Dan Glickman, Executive Director, Aspen Institute Congressional Program, said government agencies need to move beyond “silo thinking” and collaborate on addressing these very complex policy challenges. He also called for further research into better agricultural approaches, as investment in research in the US is declining.

Sarah Scherr, President and CEO, EcoAgriculture Partners, said her organization has documented more than 85 different communities of practice adopting integrated landscape



Marit van Zomeren,  
Netherlands

management approaches, which move beyond a trade-off mentality. She said that the GEF plays a catalytic role in many of these projects, which mainstream conservation approaches in agriculture and forest management with positive outcomes, including for food production.

Rodríguez explained that Mexico recently put energy and the relationships with



Monique Barbut, UNCCD  
Executive-Secretary

water and food high on the national security agenda and has taken an integrated approach within government. He added that Mexico's consultative approach with a broad range of stakeholders had resulted in an ambitious renewable energy policy.

Barbut called for drought early warning systems and drawing on the capacity of technology to get detailed information to those that need it. She said that UNCCD has developed a global portal to relevant databases.

Glickman said smartphone technology is being increasingly used in the developing world and provides a great opportunity to get farmers the information when they need it.

The Netherlands called upon the GEF to create an accessible database on the water-food-energy nexus. Senegal highlighted a national plan involving projects on agriculture and energy and wondered how the GEF could help countries pursue goals within such plans.

Zambia, for the Southern Africa constituency, called on the GEF to support sustainable forest management, biodiversity, land degradation, climate change and chemicals management efforts in Southern Africa.

Nigeria urged the GEF to assist countries in recovering degraded land and educating small-scale farmers to enhance food production and improve farmers' livelihoods.

Ethiopia stated infrastructure plays a key role in building a nexus between energy, food and water issues. Saint Lucia proposed discussing trade and investment policies that promote investments in carbon-intensive infrastructure over renewable energy. The International Fund for Agricultural Development commended the GEF for trying to break down barriers between sectors and said learning from those working with complex systems could be of benefit.

Scherr reiterated the need to "get prices right" and eliminate subsidies. Scherr suggested the GEF promote knowledge-sharing systems among landscape initiative leaders and help coordinate integrated landscape management financing from different sources.

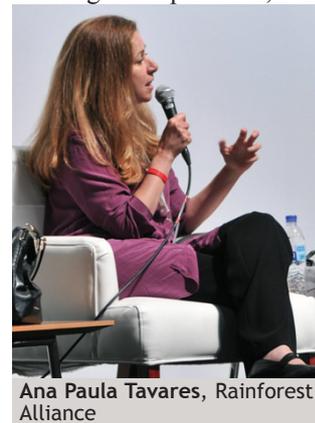
Rodríguez highlighted stakeholder engagement, capacity building and technology transfer and financing as key to building a food-energy-water nexus. Glickman said the GEF could produce and avail online a guide on current water, food and water best practices. Barbut said rehabilitating two billion hectares of land should be a key international priority.

**Roundtable 6: Sustainable Commodities:** Moderator Andrew Steer invited participants to discuss how sustainability could be injected into commodity supply chains and what the GEF's role should be in this regard.

Rodríguez said growing demand for commodities was putting enormous pressure on forests and concerted efforts were needed to remove deforestation from commodity supply chains and increase the market uptake of sustainable commodities.

Carter Roberts, President and CEO, WWF US, said humans were demanding one and a half times more than what the planet could sustain, but signs of hope existed in areas such as food production. Outlining WWF's efforts to engage with major companies on fifteen commodities, he said a key challenge was to get entire sectors to move towards more sustainable practices.

Ana Paula Tavares, Rainforest Alliance, described her organization's efforts to engage with the global marketplace to achieve sustainability, develop sustainable management standards in key sectors, and build capacities to improve on-the-ground practices, stressing further progress would require collective action.



Ana Paula Tavares, Rainforest Alliance

Susan Jackson, President, International Seafood Sustainability Foundation, discussed progress made in the tuna industry thanks to engagement with actors across the supply chain. Noting the GEF was involved in a project that would use electronic systems to monitor tuna purse seine vessels in Ghana, she said the current research and development race in the electronic monitoring industry showed the multiplier

effect of GEF projects in helping to transform commodity industries.

Augustine Mascotena, Roundtable on Responsible Soy Association, said commodity producers were part of the solution and should not be seen as "enemies." He said a paradigm shift was needed to drive expansion of sustainable commodities and this required educating producers, sharing examples and taking a long-term approach.

Darrel Webber, Secretary-General, Roundtable on Sustainable Palm Oil (RSPO), said around 16% of global palm oil is now produced to RSPO's certification standard, but only half the sustainable production has found markets, noting the need for government support for market uptake. He added that palm oil producers are improving sustainable production and



L-R: Augustine Mascotena, Roundtable on Responsible Soy Association; Darrel Webber, Secretary-General, Roundtable on Sustainable Palm Oil (RSPO); Ana Paula Tavares, Rainforest Alliance; Moderator Andrew Steer, President and CEO, WRI; Leonardo Beltrán, Ministry of Energy, Mexico; Susan Jackson, President, International Seafood Sustainability Foundation; and Carter Roberts, President and CEO, WWF US

there is potential for the industry to improve significantly in the near future, particularly in encouraging countries newly involved in the industry to go down a more sustainable path.

In response to moderator questions on where big improvements could be made, Roberts said different commodities had different environmental impacts and WWF found working with coalitions on issues such as certification standards could have significant benefits including developing certification schemes, in key countries such as Brazil and Indonesia. Tavares said action needs to be tailored to the circumstances of each unique region or community.

Questioned on the importance of new communications technology, Jackson said technology is now able to supply much of the extensive data needed to support accurate assessments of commodity sustainability, although data needs may increase as best practice expectations strengthen.

Responding to questions on where the GEF can best contribute to action on sustainable commodities, Comoros asked the GEF to assist African countries with sustainable agriculture approaches to feed rapidly growing and urbanizing populations. Grenada, with Senegal, noted the problem of illegal unsustainable fishing in their territorial waters. New Zealand encouraged support for Pacific SIDS in managing large areas of ocean.

**Roundtable 7: MEAs and the Post-2015 Framework: A Forward-Looking Agenda:** Moderator Homi Kharas, Brookings Institution, US, moderated the session. In his opening address, José Antonio Meade, Minister of Foreign Affairs, Mexico, cautioned that mobilizing financial resources to implement the SDGs may become a serious impediment to achieving the post-2015 development agenda.

Responding to a question about securing funds for the post-2015 agenda, Jeffrey Sachs, Earth Institute, suggested: making polluters pay, which would require environmental accountability for multinationals; levying carbon taxes for oil and gas companies; adopting legislation to help channel savings into long-term sustainable development rather than stimulating short-term consumption; ensuring that the poorest countries get the financing they need, both through fairer distribution of revenues from oil, gas and mineral exploitation contracts and through high-income countries honoring their pledges on climate financing by 2020.

Ibrahim Thiaw, UNEP, agreed that companies need to be more accountable and stressed that consumers need to pressure the private sector to take sustainability seriously.

William Moomaw, Tufts University, US, underscored that MEAs often address the symptoms instead of the underlying causes of environmental degradation. He highlighted the



Rajendra Pachauri, IPCC Chair

Sustainable Energy for All (SE4ALL) UN program as a positive initiative with multi-purpose goals, including poverty reduction.

Rajendra Pachauri, Chairperson, Intergovernmental Panel on Climate Change (IPCC), stressed the importance of political leadership in the fight against climate change. He noted the role of the GEF in moving the climate change agenda forward and fostering the end of business-as-usual decision-making.

Amina Mohammed, Special Adviser on Post-2015 Development Planning, United Nations, noted the existence of two tracks, the post-2015 agenda and the climate change negotiations, and the challenge of financing them, and emphasized that, in the “real world,” these processes are complementary.

In the subsequent panel discussion, Sachs emphasized the importance of including a clear climate goal within the SDGs. Moomaw suggested to Meade that Mexico ask its North America Free Trade Agreement partners to consider how that treaty could phase out energy subsidies and enlist trade in support of the environment. Meade underscored the importance to Mexico of green growth and the GCF. He expressed optimism that a climate change agreement could be reached. Thiaw urged building on the experience gained in implementation of MEAs when formulating SDGs. Mohammed supported focusing on three considerations to obtain the agreement on the post-2015 development agenda, namely: the importance of measurable results; a mechanism for leveraging partnerships in implementation; and accountability.

The ensuing discussion focused on how to: promote synergies between the GEF-supported MEAs and the sustainable consumption and production framework agreed at Rio+20; address chemical issues in tandem with climate change, poverty, and health; and find ways for SIDS, particularly in the Caribbean, to attract more financing.



L-R: William Moomaw, Tufts University, US; Ibrahim Thiaw, Deputy Executive Director, UN Environment Programme (UNEP); Amina Mohammed, UN Special Adviser on Post-2015 Development Planning; Moderator Homi Kharas, Brookings Institution, US; José Antonio Meade, Minister of Foreign Affairs, Mexico; Jeffrey Sachs, Earth Institute; and Rajendra Pachauri, Chair, Intergovernmental Panel on Climate Change (IPCC)

In closing, Moomaw observed that there are more potential opportunities and solutions than there are problems. Mohammed underscored the importance of engagement at the country level as UN talks in New York move toward an agreement on the post-2015 agenda. Sachs suggested that Caribbean SIDS create their own climate strategy to



William Moomaw, Tufts University, US

reduce dependence on fossil fuels and tap renewable energy opportunities. Pachauri recommended that SIDS do all they can on climate change within their own territories to strengthen the impact of their voices in global negotiations.

#### **CLOSING PLENARY**

GEF CEO and Chairperson Ishii opened the closing session on Thursday 29 May and reflected on lessons from the roundtables. She emphasized

the need to transform economies in order to protect the environment and for the private sector to get involved in GEF activities. On natural capital, she observed that if “we cannot count it, we cannot use it.” Ishii underscored the need for legislators to engage on the environment agenda. She went to emphasize science-based solutions, capacity building, good governance and taking an integrated approach to sustainable development challenges.

Ishii then invited Sachs to share his reflections on challenges facing the planet, and how the GEF can address them. Sachs emphasized as three major intersecting challenges: the end of the Millennium Development Goals (MDG) era and the beginning of the SDG period, in the context of ending extreme poverty within the next fifteen years; concluding a global climate change agreement; and avoiding a man-made “sixth mass extinction” through stronger action on biodiversity. He urged all governments to push for strong SDGs, as well as to ensure there are “headline goals” on climate change and biodiversity.

As part of the sixth replenishment package, he welcomed the new Integrated Approaches Pilot, aimed at addressing environmental challenges by focusing on drivers of environmental degradation through special focus on issues such as food security in Africa, sustainable city development and taking deforestation out of global commodity supply chains.

#### **STATEMENTS ON BEHALF OF CONSTITUENCIES:**

Nearly all representatives welcomed the GEF-6 replenishment, with many stating that the substantial increase in contributions from GEF-5, even in the midst of an economic crisis, showed the trust that governments had in GEF.

Japan welcomed the record increase in contributions to the GEF, which he said signaled the trust placed in the GEF to strive towards sustainable development.

Australia expressed support for the GEF’s institutional reforms, strategic direction of GEF2020, and improvements in co-financing arrangements and allocation methodology, and called for further engagement with the private sector.

Italy stressed the need to: ensure least-developed country access to GEF funds; focus on poverty alleviation; leverage private sector involvement; and improve performance.

The US expressed support for the GEF 2020 Strategy and welcomed the largest-to-date GEF replenishment and the contributions of developing countries, adding that the US is contributing US\$546 million to the sixth replenishment.

Egypt welcomed the GEF’s adoption of a programmatic approach but said that higher ambition on co-financing would be a challenge for African countries.

Ecuador urged the GEF to accord LDCs and SIDS the same treatment they receive under relevant international environmental agreements. He said his constituency looked forward to strengthening efforts under the Minamata Convention.

Belgium said his constituency would closely track the integrated chemicals and waste focal area; and focus on non-grant funding and efforts to enhance co-financing and streamline the project cycle.

Cambodia acknowledged the role of the GEF in promoting sustainability in Southeast Asia, notably through the SGP. Noting potential issues with the new GEF-6 co-financing ratios, he requested the simplification of co-financing criteria for LDCs.

Canada supported greater inclusion of the private sector in the GEF-6 phase and encouraged gender mainstreaming in GEF projects.



Pablo Drouet, Ecuador

China said that a donor country financing gap still exists and noted that his country has increased contributions to the GEF by 33% compared to GEF-5.

Norway stated that the GEF needs to further focus on the drivers of environmental degradation noting the challenges of an evolving climate change finance landscape. He recalled his country’s contribution of US\$107 million to GEF-6.

The Netherlands said that cities deserve more attention from the GEF. Mexico said he expected an update of the STAR, and stressed that new co-financing rules need to take into account the special needs of some countries.

France stressed the need to agree on a global legally binding agreement on climate change.

Mauritania urged donors to give priority to supporting the GCF and the Green Wall for the Sahara and Sahel Initiative, and called for allowing in-kind contributions as part of co-financing.

Germany called on GEF to focus on: climate finance in areas where it can clearly offer added value. He supported implementing the new integrated approach under existing institutional structures. He advocated that the GEF enhance: country ownership of projects, sustainability of results, operational efficiency and stronger knowledge management and stakeholder engagement.

Liberia called for direct access to GEF resources, country ownership of projects and programmes, and maintenance and strengthening of the SGP.

Finland noted the need to assess the broader socio-economic impact of GEF’s activities.

The Maldives suggested the need to further improve project operational modalities and expedite small allocations.

Afghanistan called on the GEF and the UN family to mobilize additional funds to help countries to address deforestation, desertification and land degradation challenges.

Fiji welcomed the more favorable terms for LDCs but expressed disappointment that those terms did not apply to SIDS, which are equally vulnerable to climate change.

Iran welcomed GEF's work and called for additional efforts to: make GEF more equitable, accessible, transparent and accountable; increase country project ownership; and improve communication between GEF Partner Agencies and countries.

Paraguay called for improved transparency in future replenishments to enhance donor involvement and expressed concern that requiring higher co-financing from medium-income countries that are not SIDS could affect the ability of some Latin American countries to implement GEF projects.

The Russian Federation supported the GEF's collaborative action on the environment, which he said contributes to sustainable development. He also noted that his country had increased its contribution to GEF-6 by 50% compared to GEF-5.

Zambia noted funding from GEF has increased but still falls short of what is needed, pointing out that the southern African region faces an increase in severe weather events, which impact negatively on land management, biodiversity and water resources.

Spain, with Switzerland, highlighted that funding GEF-6 had increased despite Europe's financial crisis, and called for continued broadening of funding sources.

Georgia underscored worsening floods and landslides in Eastern Europe and welcomed the improvements to STAR for GEF-6 as well as the SGP.

The Central African Republic congratulated donor countries on GEF-6 replenishment levels but noted, along with Saint Lucia, that expectations going forward of very high levels of co-financing should be moderated to reflect the capacities of recipient countries.

**STATEMENTS BY REPRESENTATIVES OF THE CONVENTIONS:** Braulio de Souza Dias, Executive Secretary, CBD, said adequate financial resources are needed if the 2020 Aichi biodiversity targets are to be reached and welcomed the new Integrated Approaches Pilot.



Anton Hilber, Switzerland

Kerstin Stendahl, Executive Secretary *ad interim* for the Stockholm, Basel and Rotterdam Conventions, cautioned against a silo approach to chemicals and waste and advocated a crosscutting and multifaceted approach to chemicals management. Fatoumata Keita-Ouane, UNEP Chemicals, on behalf of the Interim Secretariat for the Minamata Convention, welcomed the inclusion of the

Convention under the GEF and urged countries to sign the Convention in order to be eligible for GEF resources.

**STATEMENT BY HEADS OF THE GEF AGENCIES:** Li Yong, Director-General, UNIDO, highlighted the role of its inclusive and sustainable industrial development (ISID) vision in promoting inclusive industrial development, innovation and entrepreneurship.

Via video address, Jim Yong Kim, President, World Bank, congratulated the GEF for the conclusion of the sixth replenishment negotiations and underscored the need for greater private sector involvement within the GEF's activities.

Eduardo Ganem, Multilateral Fund of the Montreal Protocol, said the GEF has played a critical role in helping countries to phase out ozone-depleting substances and the Fund looked forward to its continued collaboration with the GEF to achieve both ozone and climate benefits.

**CLOSING:** The fifth GEF Assembly considered and approved the report on credentials. Chair Guerra introduced the Chair's summary of the fifth GEF Assembly.

Fernando Aportela, Under-Secretary of Finance, Mexico, thanked delegates for their participation, stating the outcomes of the GEF Council and Assembly meetings in Cancun were a success and would set the stage to realize the GEF2020.

Delegates then heard a written message from President Peña, Mexico in which he summarized as the key message of the fifth GEF Assembly that intelligent investments would lead to improvements in natural capital and social benefits that would help to transform economies and create livelihoods.

Ishii expressed her sincere gratitude to the government of Mexico saying the Assembly has achieved its key objectives. Stating that the meeting had confirmed that the GEF "has huge potential and can make a real difference," she closed the fifth GEF Assembly at 6.56 p.m.

## UPCOMING MEETINGS

**2nd World Summit of Legislators:** The 2nd World Summit of Legislators is expected to be the world's largest conference of parliamentarians, with over 500 participants representing legislative assemblies from all over the world in attendance. Parliamentarians at the three-day summit are expected to agree to and ratify a resolution on climate, natural capital and forest legislation. **dates:** 6-8 June 2014 **venue:** Mexican Congress **location:** Mexico City, Mexico **contact:** GLOBE & World Summit of Legislators International Secretariat Office **phone:** +44 (0) 20 7222 6960 **fax:** +44 (0) 20 7222 6959 **e-mail:** secretariat@globeinternational.org **www:** <http://www.globeinternational.org/news/item/mexico-to-host-2nd-world-summit-of-legislators-6th-8th-june-2014>

**CBD WGRI 5:** At its fifth meeting, the Working Group on Review of Implementation (WGRI) of the CBD is expected to address, among other issues, implementation of the Strategy for Resource Mobilization, the efficiency of structures and processes under the Convention and its protocols, and biodiversity and development. **dates:** 16-20 June 2014 **location:** Montreal, Canada **contact:** CBD Secretariat **phone:** +1 514 288 2220 **fax:** +1-514-288-6588 **e-mail:** secretariat@cbd.int **www:** <http://www.cbd.int/meetings/>

**Seventh Meeting of the Standing Committee on Finance:** The seventh meeting of the UNFCCC Standing Committee on Finance (SCF) will meet in Bonn, Germany, from 16-18 June 2014. During the meeting the SCF will be invited to consider: a working draft of the biennial assessment and overview of climate finance flows (BA); the draft technical paper on the fifth review of the financial mechanism; approaches to financing for forests; draft guidance to the operating entities of the financial mechanism; and its work plan for measuring, reporting and verification (MRV) of support beyond the BA. **dates:** 16-18 June 2014 **location:** Bonn, Germany **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **e-mail:** secretariat@unfccc.int **www:** [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/items/6877.php](http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/6877.php)

**Fifth Session of Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF):** The ICESDF is tasked by the UN General Assembly (UNGA) with considering the effectiveness, consistency and synergies of existing instruments and frameworks, and evaluate additional initiatives, with a view to preparing a report by end 2014 proposing options on an effective sustainable development financing strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives. **dates:** 4-8 August 2014 **venue:** UN



Fifth GEF Assembly group photo

Headquarters **location:** New York City, US **contact:** Irena Zubcevic, DSD **phone:** +1-212 963 4528 **e-mail:** [zubcevic@un.org](mailto:zubcevic@un.org) **www:** <http://sustainabledevelopment.un.org/index.php?menu=1688>

**Third International Conference for Small Island Developing States:** The Third International Conference for SIDS will include a high-level segment to build upon the Barbados Programme of Action and the Mauritius Strategy for Implementation, and will identify new challenges for the sustainable development of SIDS. **dates:** 28 August - 4 September 2014 **location:** Apia, Samoa **www:** <http://www.sids2014.org/>

**High-level Stock Taking Event on Post-2015 Agenda:** This event is intended to take stock following a series of six events that the President of the UNGA convened between February and June 2014 under the theme, "The post-2015 Development Agenda: Setting the Stage!" The stock-taking event of the UNGA president is expected to focus on sustainable development goals and long-term financing for sustainable development. **date:** 31 August - 1 September 2014 **venue:** UN Headquarters **location:** New York City, US **contact:** Tala Dowlatshahi, Office of the President of the UNGA **phone:** +1-917-367-4718 **e-mail:** [dowlatshahi@un.org](mailto:dowlatshahi@un.org) **www:** [http://www.un.org/en/ga/president/68/pdf/letters/12052013Post-2015\\_Development\\_Agenda.pdf](http://www.un.org/en/ga/president/68/pdf/letters/12052013Post-2015_Development_Agenda.pdf)

**2014 Climate Summit:** The 2014 Climate Summit, which will be organized by UN Secretary-General Ban Ki-moon, will take place in September 2014 with the aim to mobilize political will for a universal and a legally-binding comprehensive agreement in 2015. **date:** 23 September 2014 **venue:** UN Headquarters **location:** New York City, US **www:** <http://www.un.org/climatechange/summit2014/>

**CBD COP 12:** The twelfth meeting of the Conference of the Parties (COP 12) to the CBD will engage in a mid-term review of the implementation of the Strategic Plan and the Aichi targets. The theme of the meeting will be "Biodiversity for Sustainable Development." The Meeting of the Parties to the Cartagena Protocol on Biosafety (COP MOP 7) will take place immediately before COP 12. **dates:** 6-17 October 2014 **location:** Pyeongchang, Republic of Korea **contact:** CBD Secretariat **phone:** +1 514 288 2220 **fax:** +1 514 288 6588 **e-mail:** [secretariat@cbd.int](mailto:secretariat@cbd.int) **www:** <http://bch.cbd.int/protocol/e-doc/?notification=2036>

**47th Meeting of the GEF Council:** The GEF Council meets twice per year to approve new projects with global environmental benefits in the GEF's focal areas, and to provide guidance to the GEF Secretariat and Agencies. **dates:** 28-30 October 2014 **location:** Washington D.C., US **contact:** Secretariat **www:** <http://www.thegef.org/gef/node/10107>.

**48th Meeting of the GEF Council:** The GEF Council meets twice per year to approve new projects with global environmental benefits in the GEF's focal areas, and to provide guidance to the GEF Secretariat and Agencies. **dates:** 2-4 June 2015 **location:** Washington D.C., US **contact:** Secretariat **www:** <http://www.thegef.org/gef/node/10108>

## GLOSSARY

AMR	Annual Monitoring Report
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
CI	Conservation International
COP	Conference of the Parties
CPE	Country Portfolio Evaluation
CPS	Country Portfolio Study
CSO	Civil Society Organization
DBSA	Development Bank of Southern Africa
FSP	full size project
FY	fiscal year
GCF	Green Climate Fund
GEF	Global Environment Facility
GEF-5	fifth replenishment of the GEF Trust Fund
GEF-6	sixth replenishment of the GEF Trust Fund
GLOBE	Global Legislators Organisation
IEO	Independent Evaluation Office
IPPC	Intergovernmental
LDCF	Least Developed Country Fund
LULUCF	land use, land-use change and forestry
M&E	monitoring and evaluation
MDGs	Millennium Development Goals
MEAs	Multilateral environmental agreement
MSP	medium-size project
NAPA	National Adaptation Programme of Action
NPIF	Nagoya Protocol Implementation Fund
OPSS	Fifth Overall Performance Study
PA	protected area
PIF	Project Identification Forum
PIR	Project Implementation Report
RAF	Resource Allocation Framework
SCCF	Special Climate Change Fund
SDGs	Sustainable development goals
SGP	Small Grants Programme
SIDS	small island developing States
STAP	Scientific and Technical Advisory Panel
STAR	System for Transparent Allocation of Resources
TE	terminal evaluation
UNCCD	UN Convention to Combat Desertification
UNDP	UN Development Programme
UNFCCC	UN Framework Convention on Climate Change
UNIDO	UN Industrial Development Organization