

SUMMARY OF THE 40TH MEETING OF THE GLOBAL ENVIRONMENT FACILITY COUNCIL: 24-26 MAY 2011



Monique Barbut, GEF CEO and Chairperson

The 40th Meeting of the Global Environment Facility (GEF) Council convened in Washington, DC, US, from Tuesday to Thursday, 24-26 May 2011. Over 230 representatives of governments, international organizations and civil society organizations (CSOs) attended the three-day meeting. A gala reception to mark the GEF’s 20th anniversary took place on the eve of the Council meeting at the Smithsonian National Museum of the American Indian. The Council then gathered at International Monetary Fund headquarters to consider a very full agenda.

Council Members applauded their “historic” decision on broadening 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. Members also applauded their decision to approve the arrangements for the operation of the Nagoya Protocol Implementation Fund, established based on Japan’s proposal and initial contribution. At the conclusion of the discussion on this topic, the representative from France announced a one million Euro contribution to the Fund.

Council Members adopted the GEF Corporate and Evaluation Office budgets, and adopted a work program that comprises project concepts and one programmatic approach – regarding support for the Great Green Wall initiative. The Council also discussed and adopted a Communication and Visibility Policy, designed to enhance the visibility of the GEF’s role in projects with GEF financing.

Among other items, the Council discussed a proposal for criteria for the establishment of trust funds within the GEF, but asked the Secretariat to revise the proposal for consideration at the November 2011 Council meeting. A proposed strategy to engage with the private sector will also be revised and reconsidered at the November meeting.

During the 10th meeting of the Council for the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), which took place on 26 May in the afternoon, Members approved the work program and budget, among other items, for these Funds. In addition, Germany pledged 50 million Euros to the LDCF and 25 million Euros to the SCCF, and Australia pledged AU\$15 million to the LDCF, as Copenhagen Climate Change Conference fast start financing pledges.

In addition to these two Council meetings, issues related to the GEF Council meeting were discussed during a consultation with CSOs, on 23 May 2011. Participants also took part in a

field trip on 27 May 2011, to view Washington, DC government-funded projects for stream restoration, tree planting, green roofs and green streets.

This briefing note summarizes the discussions and decisions reached at the 40th meeting of the GEF Council and the LDCF/SCCF Council meeting.

A BRIEF HISTORY OF THE GEF

The GEF was created in 1991 as a result of mounting concern in the preceding decade over global environmental problems and efforts 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 states 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. The organization’s main decision-making body is the GEF Council, which is responsible for developing, adopting and evaluating its operational policies and programs. It is comprised of 32 appointed members, each representing a constituency (i.e. a group of countries including both donors and recipients).

IN THIS ISSUE

A Brief History of the GEF	1
Report of the 40th Meeting of the GEF Council	2
Report of the LDCF/SCCF Council Meeting	11
Glossary	13

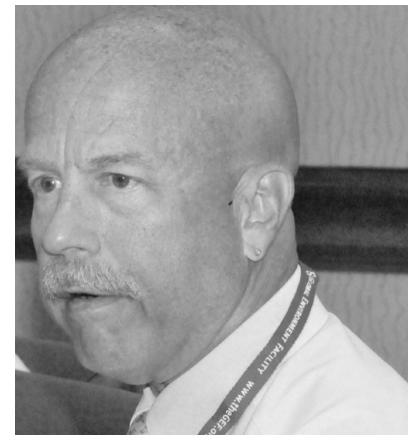
Sunday, 29 May 2011

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). The GEF also administers the LDCF and the SCCF, and provides secretariat services to the Adaptation Fund.

The GEF serves as a financial mechanism for the Convention on Biological Diversity, the UN Framework Convention on Climate Change, the Stockholm Convention on Persistent Organic Pollutants, and the UN Convention to Combat Desertification. GEF work also focuses on sustainable forest management, international waters, and ozone layer depletion.

Currently, GEF funding has been channeled to recipient countries through ten Agencies: the UN Development Programme; the UN Environment Programme; the World Bank; the UN Food and Agriculture Organization; 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.

GEF Work Program, which includes the first programmatic approach for the fifth replenishment of the GEF Trust Fund (GEF-5), support for the Great Green Wall Initiative; criteria for the establishment of trust funds within the GEF; and strategies to enhance GEF's visibility. She also introduced the recently appointed Deputy CEO, André Laperrière, and noted that CEO Senior Advisor Brennan Van Dyke would be taking a position with the UN Environment Programme (UNEP) in Nairobi, Kenya.



James Willis, Joint Executive Secretary of the Basel, Stockholm and Rotterdam Conventions

The Council then elected Karine Siegwart (Council Member for Switzerland, Central Asia and Azerbaijan) to Co-Chair the meeting. In response to Member suggestions, the Provisional Agenda (GEF/C.40/01/rev.1) was amended so that the discussion on "Relations with the Conventions" and "Strengthening Relations with the Conventions in the GEF Network" would be combined, and to rename the discussion on "Outstanding Issues Related to the Nagoya Protocol Implementation Fund" as "Key Issues Related to the Nagoya Protocol Implementation Fund."

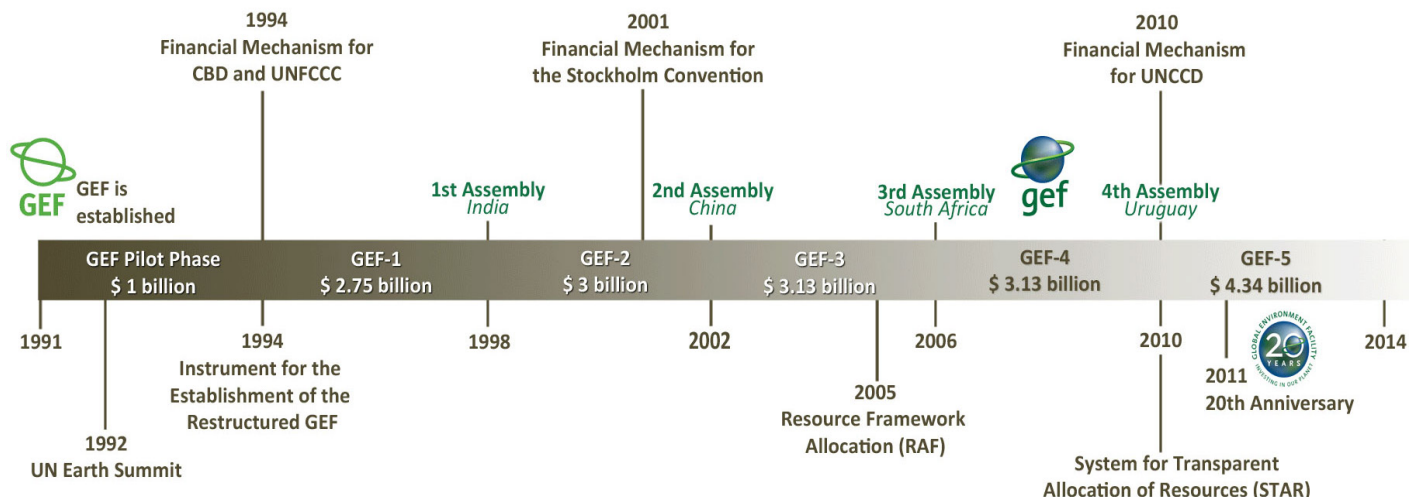
REPORT OF THE 40TH MEETING OF THE GEF COUNCIL

On Tuesday, 24 May 2011, Monique Barbut, Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), opened the 40th meeting of the GEF Council, highlighting that the Council would deliberate on many important decisions. She underscored that the Council's decisions on Paragraph 28 of the Instrument for the Establishment of the Restructured GEF (GEF Instrument) (cooperation with other bodies) will influence further international environmental financial decisions, notably those at the Durban Climate Change Conference and the UN Conference on Sustainable Development (UNCSD, or Rio+20). She emphasized the key innovation of allowing regional and national entities and non-governmental organizations (NGOs) to become partner entities with the GEF. She also called attention to decisions to be taken on: the modalities of the Nagoya Protocol Implementation Fund; the

RELATIONS WITH CONVENTIONS AND STRENGTHENING RELATIONS WITH THE CONVENTIONS

On Tuesday, the GEF Council heard statements from two Executive Secretaries of the Conventions at the beginning of its discussion of "Relations with the Conventions" and "Strengthening Relations with the Conventions in the GEF Network."

STATEMENTS BY THE EXECUTIVE SECRETARIES OF THE CONVENTIONS: James Willis, Joint Executive Secretary of the Basel, Stockholm, and Rotterdam Conventions, reported on the fifth meeting of the Conference of the Parties (COP) to the Stockholm Convention on Persistent Organic



A timeline of milestones in the Global Environment Facility's twenty year history.

Pollutants (POPs) along with upcoming COP meetings of the Basel and Rotterdam Conventions. Among other highlights, he thanked the GEF CEO for attending the Stockholm COP and encouraged her to similarly engage at the upcoming COPs, and reported that the Stockholm COP adopted the terms of reference for a needs assessment and a review of the financial mechanism.

Yolando Velasco, UN Framework Convention on Climate Change (UNFCCC) Secretariat, on behalf of Christiana Figueres, UNFCCC Executive Secretary, said aligning the GEF climate change focal area, the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), to the priorities that are emerging in the negotiations will be crucial for implementing the Cancun Agreements, and highlighted that emerging priorities include: technology development and transfer; the preparation and implementation of nationally appropriate mitigation actions by developing countries; the preparation of enhanced national communications by developing countries; and the implementation of projects identified in the national adaptation programs of action and other elements of the LDC work program. He thanked the GEF for contributing to the Transitional Committee of the Green Climate Fund by seconding a senior staff member to the Technical Support Unit.

During the discussion, Council Members inquired about, *inter alia*, whether the next Council meeting could receive a statement regarding the ongoing negotiations on a mercury agreement



Yolando Velasco, UN Framework Convention on Climate Change (UNFCCC) Secretariat

and the status of the Green Climate Fund. One Member encouraged others to contact their chemicals experts regarding the negotiations on a mercury financial mechanism.

GEF CEO Barbut encouraged COP participants to the cost of

question national reporting and whether its usefulness merits all of the reporting requirements that parties adopt and request GEF to finance. She said the GEF is paying the salary of the staff member who has been seconded to the Green Climate Fund Transitional Committee, with the UNFCCC paying his other expenses. She said it is not clear what the Fund's governance structure will be, or whether and how the Fund and the GEF's roles will be differentiated.

RELATIONS WITH THE CONVENTIONS: Discussion on the issue of relations with conventions was based on document GEF/C.40/03, *Relations with the Conventions and Other International Institutions*. The Secretariat highlighted several "retreats" involving GEF and convention secretariats in which subjects of common interest have been identified, and the CBD Secretariat's use of the GEF Expanded Constituency Workshops to raise awareness of implementation issues involving the CBD and the Nagoya Protocol.

Several Members supported regular retreats between secretariats and said the GEF should participate actively in the convention COPs, as well as the Intergovernmental Negotiating Committee on mercury and the discussions under UNEP regarding financing for chemicals and waste management. Other suggestions included: a role for the GEF to promote cooperation and synergies regarding substances that have both greenhouse gas emission and ozone layer depletion impacts; identifying how the GEF can support the recent Stockholm Convention decision regarding financial and technical assistance to find alternatives to endosulfan; and providing more documentation to better reflect the activities of the Adaptation Fund.

Decision: The Council welcomed the report and requested: the GEF network to continue to work with recipient countries to reflect the guidance and national priorities in their GEF programming and activities; and the GEF Secretariat to actively seek and exploit potential synergies between the conventions in GEF activities.

STRENGTHENING RELATIONS WITH THE CONVENTIONS IN THE GEF NETWORK: The discussion on strengthening relations with the conventions in the GEF network was based on document GEF/C.40/14, *Strengthening Relations with the Conventions in the GEF Network*, which the Secretariat noted outlines the activities and processes that characterize the GEF's relations with the conventions that it serves and suggests steps that might be taken to strengthen those relations in the future.

During the discussion, speakers suggested that: the GEF's work in this regard is not complete after attending workshops; the Scientific and Technical Advisory Panel (STAP) interaction with the conventions' scientific and technological bodies and secretariats should be encouraged; synergies should be actively sought and exploited; enhanced communications among secretariats and focal points should be encouraged and facilitated; the GEF should use existing channels to do this kind of engagement, to avoid putting an extra burden on implementing agencies; and dialogues between the GEF and CSOs should be organized at COPs.

Decision: The Council took note of the steps that it can take to strengthen the relations between the GEF and the conventions that it serves, and requested the Secretariat, STAP, GEF Agencies and other relevant actors to take appropriate steps to strengthen these relations, in particular in a manner that will increase synergies between the conventions.



Thomas E. Lovejoy, Scientific and Technical Advisory Panel

REPORT BY THE CHAIR OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL

On Tuesday, Thomas Lovejoy, STAP Chair, introduced document GEF/C.40/Inf.13, *Report of the Chairperson of the Scientific and Technical Advisory Panel*, and reviewed

the STAP's activities. He said STAP's interaction with the conventions has increased in the last few years, with the exception of the Montreal Protocol, although he expected a new chemicals member of STAP would engage with that MEA. He noted STAP's challenges in monitoring the scientific quality of project proposals in their development stage, and said the size of the Great Green Wall Initiative, for example, creates challenges for a comprehensive scientific review. He presented recent STAP initiatives and advisory products, including work on: POPs disposal technology; hypoxia in coastal marine ecosystems; marine debris; and a review of current adaptation strategies among development agencies. He suggested considering project designs that incorporate research in the most effective ways to address the GEF's objectives, and said STAP is engaged in the "Planet Under Pressure" scientific conference, which will take place in March 2012 as an input to UNCSD. STAP is also working on short policy papers to contribute to UNCSD preparations.



Elise Delaitre, France

GEF Council Members expressed interest in STAP contributions to UNCSD, including through inputs to the UNCSD Bureau and countries. One Member said the STAP should highlight the connection between natural resources and ecosystems and green growth in this regard. Another asked if STAP's questions on projects are answered before they are approved. The support of the participating African countries for the Great Green Wall project was stressed. Members were assured that all comments on project proposals are tracked by the GEF Secretariat during the endorsement stage and must be answered.

ANNUAL COUNTRY PORTFOLIO EVALUATION REPORT-2011

Discussion on this issue, which took place on Tuesday, was based on documents GEF/ME/C.40/02, *Annual Country Portfolio Evaluation Report – 2011*, and GEF/ME/C.40/03, *Management Response to the Annual Country Portfolio Evaluation Report – 2011*. The GEF Evaluation Office (EO) noted that the country portfolio studies (CPS) were conducted jointly with GEF Agencies, providing cost-savings, reducing the evaluation burden for the countries involved, and providing deeper insights than normal evaluations. In its response, GEF management welcomed the CPS findings, suggested further analysis of the root causes for why projects may or may not achieve sustainability and/or scaling up, and noted that many Agency procedures may not be appropriate for small countries in regions with limited resources, suggesting the need for greater flexibility in Agency procedures.

During the discussion several Members supported doing more joint evaluations with the GEF and national evaluation units with recognized expertise. Several echoed the call for further analysis on what limits project sustainability and scaling-up so that such characteristics can be screened for in future projects, as well as



Frank Fass-Metz, Germany

for adapting Agency procedures for small countries.

Decision: The Council requested the GEF EO to continue developing and implementing during GEF-5 joint and/or coordinated country-level evaluation work with either GEF Agencies' independent

evaluation offices or with independent national institutions with recognized expertise in both evaluation and environment.

ANNUAL PERFORMANCE REPORT-2010

This discussion, which took place on Tuesday, was based on documents GEF/ME/C.40/04, *Annual Performance Report-2010 (Conclusions and Recommendations)*, and GEF/ME/C.40/05, *Management Response to the Annual Performance Report-2010*. The GEF EO noted that 92% of completed projects were rated through terminal evaluations (TEs) as "mostly satisfactory" or above, which is the highest percentage to date with that rating. The GEF EO suggested calling for strengthening partnerships with collaboration on the review of TEs to streamline the process, reduce delays in the submission of TEs and improve the information concerning project status.

Council members inquired, *inter alia*: how project outcomes are measured; whether trend analysis could be provided; what the definition of "satisfactory" is; and how TEs could be secured in a timely fashion.

The GEF EO noted that TE submissions are delayed due to a variety of reasons, from database issues to editing and translating time demands, and suggested that close coordination with UNEP, UNDP and World Bank on this issue should be able to smooth the process.

Decision: The Council requested the GEF EO to strengthen its collaboration with the independent evaluation offices of the GEF Agencies on the review of TEs to ensure a more streamlined process that will lead to a reduction of delays in the submission of TEs and improve the information concerning project status.

ANNUAL MONITORING REPORT

The discussion on Tuesday on this issue was based on document GEF/C.40/04, *Annual Monitoring Report FY10*. The Secretariat noted that this year's Annual Monitoring Report provides an analysis of resources programmed in GEF-4 as well as a section comparing programming across GEF-3 and GEF-4, and reported that 86% of projects rated as "moderately satisfactory" or above. The Secretariat proposed a two-phased approach to reporting on the GEF portfolio: an initial report to the Fall Council meeting focusing on data already in the Secretariat database, such as portfolio review and resources programmed; and a more in-depth analysis submitted to the Spring Council meeting regarding focal area results, lessons learned and best practice.

During the discussion, several Members expressed support for the two-phase reporting proposal. A Member asked if it would be possible for the Council to have access to the information in the GEF database in order to respond to parliamentary inquiries

about the GEF portfolio. The Secretariat said it would address Council database access as part of the information technology strategy to be presented to Council in November 2011. Another Member asked about the possible use of management efficiency indicators. The Secretariat indicated it was open to suggestions about which indicators to use.

Decision: The Council welcomed the progress that the GEF has made in reporting portfolio level results and the overall finding that the GEF portfolio under implementation in 2010 performed satisfactorily across all focal areas. The Council requested the Secretariat to continue to work in close collaboration with GEF Agencies to carry out the GEF-5 results-based management work plan, agreed with the proposal for two-phased reporting, and requested



Beth Urbanas, United States

that the Secretariat submit its first report under this proposal to the November 2011 Council meeting.

FOUR-YEAR WORK PROGRAM AND BUDGET OF THE EVALUATION OFFICE

Discussion on this issue took place on Tuesday, and was based on document GEF/ME/C.40/01, *Four-Year Work Program and Budget of the Evaluation Office*. The GEF EO reminded the Council that the idea of the multi-year budget was to ensure full implementation of the work program and to accommodate expected valleys and peaks of expenditure, particularly involved with performing the Fifth Overall Performance Study (OPS5). The GEF EO proposed: removing the GEF EO budget from



Paula Caballero, Colombia

the corporate budget; approving an annual budget for FY12 of US\$2.74 million; creating a multi-year budget for the EO at US\$5.5 million as the first tranche to implement the EO's work program during GEF-5.

During the discussion, several Members expressed concern about creating a multi-year budget for the GEF EO, and some sought clarifications about how the budget request was calculated. Several members acknowledged that it is international best practice to separate EO budgets from corporate budgets and to allow for multi-year budgeting, but wondered about the size and timing of the tranches proposed. The discussion on this budget continued in Executive Session on Tuesday afternoon, along with the discussion of the GEF corporate budget.

Decision: The Council approved the EO's four-year work program for GEF-5 as well as an annual core budget for the EO for FY12 of US\$2.74 million. The Council requested the Trustee to create a multi-year window for the EO to ensure that its multi-year work program can be implemented up to FY13, and approved US\$2 million to cover the costs of evaluations that are implemented in FY12 and will continue into FY13.

FY12-14 BUSINESS PLAN AND FY12 CORPORATE BUDGET

Council reviewed document GEF/C.40/05/Rev.1, *FY12-14 Business Plan and FY12 Corporate Budget*, in connection with its consideration of this agenda item. Council Members convened in an Executive Session on Tuesday afternoon for their initial discussion, and resumed their consideration in full session on Wednesday morning. During the resumed discussion, Members inquired about: the percentage increase in the proposed budget; whether the proposed budget of US\$491,000 for Rio+20 activities could be reduced; whether the overall GEF-5 level of \$120 million will be respected; and whether greater scrutiny and use of the Trustee's services could be undertaken.

Decision: The Council took note of the business plan and approved a FY12 corporate budget of US\$28.815 million, comprising: US\$18.785 million, including \$260,000 for costs of a special initiative for the GEF's participation in Rio+20 events; US\$2.244 million for the STAP; US\$3.046 million for the GEF Trustee; and US\$4.74 million for the GEF EO, comprising US\$2.74 million for its core annual budget and US\$2 million to cover the costs of multi-year evaluations. The Council also approved an additional US\$100,000 for the Trustee's special initiative, *Independent Review of Systems*. Council requested the Secretariat to prepare a provisional budget for FY13-15 that aims to respect the cap of US\$120 million, for discussion at its spring 2012 meeting.

REPORT OF THE SELECTION AND REVIEW COMMITTEE

The discussion on this topic was based on documents GEF/C.40/06, *Rotations of Members on the Selection and Review Committee* (SRC), and GEF/C.40/15, *Preparing to Launch an Executive Search for the GEF CEO/Chairperson*. The Council considered this issue in Executive Session on Wednesday.

Decision: The Council requested the SRC to continue to select new SRC members in accordance with the current practice, as articulated in the document, and in particular agreed: when an SRC member from the contributing participant countries rotates off the SRC, the new member will be identified by the Council Members from the contributing participant countries; when an SRC member from recipient participant countries rotates off the SRC, the new member will be identified from the Council Members from the recipient participant countries of the region that is not represented on the SRC at the time of the rotation; and an SRC member that is rotating off the SRC cannot be reselected for an additional term.

The Council also authorized the SRC to: revise the terms of reference for the executive search firm in light of Council comments to be provided by 30 June 2011; select an executive search firm in advance of the November 2011 Council meeting; and revise the terms of reference for the GEF CEO/Chairperson in light of Council comments, and to bring the revised terms of reference to the November 2011 Council meeting for final Council approval.



Zaheer Fakir, South Africa

WORK PROGRAM

Discussion on this issue took place on Wednesday, and was based on document GEF/C.40/07, *Work Program Submitted for Council Approval*, with the Secretariat underscoring that the programmatic approach submitted, involving support for the Great Green Wall initiative, together with one

standalone Project Identification Form (PIF), involved multi-focal areas as well as multiple trust funds. During the discussion, all Members expressed support for the proposed work program. Many Members expressed strong support for the Great Green Wall initiative in particular, although several cautioned about probable complexities in its implementation and urged the Secretariat to provide Council an update on its development at the spring 2012 meeting.

Council Members' concerns about the proposed work program included: a reference to the Voluntary Carbon Standard; the possible impact of a pilot project for an Asia-Pacific Climate Technology Network and Finance Center on the GEF set-aside for technology transfer; the lack of projects in the chemicals management and international waters focal areas; and the lack of large projects in Latin America.

Decision: The Council approved the work program comprising 14 project concepts and one programmatic approach, subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by 9 June 2011. Total resources requested in the work program amount to US\$190.51 million, which includes GEF project grants and Agency fees.

ENHANCING THE VISIBILITY OF THE GEF

This discussion took place on Wednesday, and was based on document GEF/C.40/08, *Proposal for Enhancing the Visibility of the GEF*. Council Members supported the effort to give the GEF credit for its projects. One member supported adopting a policy with sanctions, and explained that parliamentarians from her country have visited GEF projects where the participants have not been aware of GEF's involvement. She said this situation makes it difficult to convince her parliament to fund the GEF. Several speakers expressed concern with the recommendation to sanction Agencies that do not comply with the proposed policy and said the countries' interests should not be hurt. Another

inquired about the resources required to monitor compliance with the policy. One speaker suggested that a non-compliant Agency could be asked to explain the failure and to propose how the shortcomings would be redressed. Members were informed that the proposed policy was based on similar policies for other donors.

Decision: The Council adopted the GEF Communication and Visibility Policy, and requested the GEF Agencies to report to the GEF Secretariat, within one month from the end of the Council meeting, on any changes to their model form agreements with recipients of GEF grant funds or executing agencies of GEF projects aimed at reflecting the role that the GEF is playing in the financing of the projects and the requirement that the executing entities adhere to the GEF Communication and Visibility Guidelines.

The Council further requested the GEF Secretariat to report any consistent failures to conform to the Policy requirements, and indicated that where such failures have occurred, the Agency will be provided an opportunity to address the Council on the issue and the Operational Focal Points of the countries concerned will be consulted. The GEF CEO may recommend appropriate responses to the Council.

STRATEGY TO ENGAGE WITH THE PRIVATE SECTOR

This discussion took place on Wednesday. Based on document GEF/C.40/13, *Strategy to Engage with the Private Sector*, which proposes two major modalities for engaging the private sector in GEF-5, Council Members identified elements that they wanted more information about, including: how concessional funds would be used; what the comparative advantage of small and medium sized enterprises is; how the proposed activities would differ from those undertaken by multilateral development banks; how the private sector had contributed to the development of the proposals; the barriers that prevent the private sector from engaging in efforts that contribute to global environmental benefits; what the proposed promotion of South-South private sector transfers would involve; what the private sector expects from an institution like the GEF; and why small grant instruments have been underutilized. One Member cautioned that private sector funds should complement, but not replace, public funds. Members were asked to send the Secretariat concrete comments regarding what they want, so the strategy could be revised and presented to the Council in November 2011.

Decision: The Council requested the GEF Secretariat to further revise the proposed strategy in light of the Council's comments, to be presented at the November 2011 Council meeting.

BROADENING THE GEF PARTNERSHIP UNDER PARAGRAPH 28 OF THE GEF INSTRUMENT

On Wednesday, GEF CEO Monique Barbut opened the discussion on this agenda item and noted that the Council



Josceline Wheatley, United Kingdom



Dais on the second day of the GEF Council meeting: L-R: Andrew Velthaus, GEF; Co-Chair Monique Barbut, GEF CEO; Co-Chair Karine Siegwart, Switzerland; Brennan Van Dyke, GEF; and Robert van den Berg, GEF

faced an historic decision. She said the world is watching how the GEF opens up its system without sacrificing any of its strengths, how it serves the conventions and what it brings to the environmental questions it deals with.

BROADENING THE GEF PARTNERSHIP: The Secretariat presented document GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument*, explaining that it responds to the November 2010 Council request for a pilot program design. The Secretariat said the proposal outlines criteria and accreditation procedures for allowing new entities into the Partnership during the pilot phase and recommended a reserve of five of ten new agency spots for national institutions and not approving applications for other types of entities (regional, NGO) until those five slots are filled. The Secretariat explained that proposed partnerships would be brought to the Council for approval in 2012, recommended establishing a GEF accountability function to audit partnerships and ensure actions are taken by partners to meet GEF fiduciary standards and environmental and social safeguards, and said an initial proposal on the working of such a function could be provided to Council at its next meeting.

During the discussion, most Council Members agreed that the GEF needs to expand its partnership to new entities and to give priority to national institutions, in part to promote capacity building at the national level. Several Members spoke in favor of bringing regional entities in as GEF partners, noting the importance of this for small States, especially small island developing States (SIDS). One speaker suggested that NGOs should not have to wait to be considered until after the five spots reserved for national entities are filled. Several Members raised questions about whether the scoring system, fiduciary standards, environmental and social safeguards and cost of the accreditation process would pose too high a barrier for national entities. Some Members asked whether accredited national entities would be allowed to undertake GEF regional projects or GEF projects in neighboring countries, and were informed that was possible.

Members disagreed on whether bilateral agencies should be included during the pilot phase. A drafting group of interested parties conferred on Wednesday and Thursday, and proposed

language indicating that, while bilateral agencies will not be eligible for accreditation at this time, their participation in the pilot phase will be considered at the first meeting of the Council in 2013.

Decision: The Council decided to: implement the GEF-5 pilot on broadening the GEF partnership, as amended by the Council during the meeting; direct the Secretariat to finalize the Stage 1 Application Form and all relevant procedures and to conduct value-added reviews of all completed applications, while applying the criteria in a flexible manner, and submit its recommendations on applicants for Council approval at the Spring and Fall 2012 meetings, only; consider the eligibility of bilateral agencies at the first meeting of the Council in 2013; ask the Secretariat, in cooperation with the GEF Trustee, to finalize all other necessary arrangements, procedures and materials for accreditation, including the establishment of a GEF Accreditation Panel; and direct the GEF EO to initiate an evaluation of the pilot either two years after the first five agencies have been accredited, or January 2015, whichever is earlier.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND GENDER MAINSTREAMING: The Council received a revised version of document GEF/C.40/10, *GEF Policies on Environmental and Social Safeguards and Gender Mainstreaming*, at the beginning of their discussion on this



Shinji Taniguchi, Japan

agenda item on Wednesday. The new document included changes in the safeguards section, but the gender mainstreaming section remained the same as originally distributed. The GEF Secretariat noted that the safeguards document identifies minimum standards that institutions must meet

to become a participating entity, while the gender-mainstreaming document indicates the standards that must be maintained during a GEF project.

Speakers suggested, *inter alia*: adding reference to the UN Declaration on the Rights of Indigenous Peoples; developing a specific policy on indigenous peoples; identifying mechanisms to track progress consistent with the Organisation for Economic Co-operation and Development's Development Assistance Committee approach; and giving "preliminary" approval to the safeguards, since the revisions had only just been distributed.

Decision: The Council approved the "Provisional Policy on Environmental and Social Safeguard Standards," as well as provisions for the application of the policy to existing GEF Agencies and GEF Project Agencies. The Council requested that the policy be kept under review and that the Secretariat submit a revised policy at the November 2011 Council meeting, taking into account comments received by 31 August 2011.

On the Policy on Gender Mainstreaming, the Council: approved the Policy; directed the Secretariat to ensure that the GEF Accreditation Panel includes an individual with experience with environmental and social safeguards and gender mainstreaming; and requested the Secretariat to recruit consultants having significant experience with and knowledge of environmental and social safeguards and gender mainstreaming to assess whether the existing GEF Agencies meet the applicable criteria in the two policies.

KEY ISSUES RELATED TO THE NAGOYA PROTOCOL IMPLEMENTATION FUND

Discussion on this issue took place on Wednesday, and was based on a revised version of document GEF/C.40/11, *Outstanding Issues Related to the Nagoya Protocol Implementation Fund*, which outlines the objectives and activities of this multi-donor trust fund. The revision was distributed at the beginning of the discussion on this agenda item.

Many speakers welcomed the establishment of the Fund and thanked Japan for its contribution to establish it. Concerns expressed related to: the need to refer to both access and benefit sharing; the need to refer to technology transfer, and how that reference would be phrased; the need to clearly define what the Fund would do; and the need to ensure that the Fund's activities do not prejudice the decisions to be taken by the Intergovernmental Committee that will deal with unresolved issues related to the Protocol.

Decision: The Council approved the arrangements proposed for the operation of this new multi-donor trust fund, subject to the comments made at the GEF Council meeting and taking into account the provisions of the Council decision by mail on the creation of this multi-donor trust fund, approved on 18 February 2011.

CRITERIA FOR THE ESTABLISHMENT OF TRUST FUNDS WITHIN THE GEF

This agenda item was discussed on Thursday, based on document GEF/C.40/12, *Criteria for the Establishment of Trust Funds within the GEF*. The Secretariat recommended establishing a standing trust fund managed by the GEF in which multiple windows could be created within a given replenishment period, and proposed criteria for operating such a standing fund.

During the discussion, some Council Members expressed support for a standing fund with many windows, while others wondered whether it is necessary since the issue of responding to COP guidance between GEF replenishments has only arisen four times in 20 years. Some Members said recent events suggest the issue will arise more frequently and the GEF should be able to offer short-term solutions. Several Members suggested they would be open to establishing the standing fund with further refinement of the criteria, such as setting a minimum funding amount, minimum number of donors, and a sunset provision.



Group photograph at the end of the Council meeting.



Jozef Buys, Belgium

Decision: The Council noted the importance of the issues raised in the document and requested the Secretariat to prepare a revised document for the November 2011 Council meeting, taking into consideration the views expressed by Council Members at this meeting.

JOINT SUMMARY OF THE CHAIRS

On Thursday afternoon, Council Members received a draft Joint Summary of the Chairs, which included the decisions they had adopted. The GEF CEO offered Council Members the opportunity to comment on a paragraph-by-paragraph basis, but no comments were offered.

REPORT OF THE LDCF/SCCF COUNCIL MEETING

GEF CEO Barbut complimented Members for how much they had accomplished, in spite of their many different viewpoints. She said she is proud to belong to an institution that is going to innovate and try new approaches of work. She thanked the Members for their work and said she hoped to see everyone at the Council meeting in November. Belgium thanked the Co-Chairs and the Secretariat for all of their efforts. The meeting was closed at 3:54 pm.

GEF CEO Monique Barbut opened the LDCF/SCCF Council meeting on Thursday afternoon. She reported that the two Funds managed by the GEF that finance adaptation actions in vulnerable countries have reached the half billion US dollar mark, and emphasized that financing adaptation is a GEF priority. She called attention to two initiatives that for the first time combine sustainable land management resources under the GEF Trust Fund and adaptation resources under the LDCF and SCCF in one programmatic approach: the Great Green Wall initiative; and collaboration among the GEF, UNEP and the Asian Development Bank to establish technology transfer centers.

The LDCF/SCCF Council then adopted the provisional agenda (GEF/LCDF.SCCF.10/1/Rev.3) without amendment.

LDCF AND SCCF ANNUAL MONITORING REPORT

Consideration of this agenda item was based on document GEF/LDCF.SCCF.10/3/Rev.2, *Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) Annual Monitoring Report (AMR) - FY2010*. The Secretariat said the next AMR should provide better data on the Funds' performance,

OTHER BUSINESS

On Thursday, the Council discussed a number of questions that Members raised. It also decided to hold the Spring 2012 meeting during the week of 11 June 2012. Members noted that the dates for the Fall 2011 meeting have already been set for 7-11 November.

One question pertained to the options and implications involved when a country is in arrears. The World Bank, as Trustee, noted that countries could ask the Trustee to defer spending the money they have contributed. Speakers suggested looking further at this issue, to ensure that certain focal areas do not suffer, burden sharing is not distorted and the GEF's operations are not hindered. The Secretariat was asked to prepare a document for the November 2011 Council meeting with information on every donor and options for constituencies.

The Council was also updated on efforts to review Agency fees, given that they appear higher than for other funds. A consultant's report on this topic is expected to be ready for the November 2011 Council meeting, and speakers emphasized the need for an assessment of the current facts and how GEF compares to other international funds.

One Member, noting problems in receiving emails about Council electronic approval for the Nagoya Protocol Implementation Fund, asked the Secretariat to update its listserv and consider requiring receipt notices.



The dais during the Least Developed Countries Fund (LDCF)/Special Climate Change Fund (SCCF) Council meeting applauds after Germany and Australia pledge new resources.

Sunday, 29 May 2011

since it will involve more projects. Council Members inquired how project ratings of “satisfactory” and “marginally satisfactory” might be improved.

Decision: The Council approved the AMR, welcomed the progress the LDCF and SCCF have made in reporting portfolio results, affirmed the Secretariat’s role in performance measurement and portfolio monitoring, and encouraged it to systematically track results and learn on an ongoing basis.

JOINT WORK PROGRAM FOR THE LDCF AND SCCF

A Joint LDCF/SCCF work program containing two stand-alone SCCF Projects, two SCCF components in a Multi-Trust Fund Project and one LDCF component in the same Multi-Trust Fund project had been circulated to Council Members as document GEF/LDCF.SCCF.10/4.

Decision: The LDCF/SCCF Council reviewed and approved the joint work program without comment.

THE SCIENCE OF ADAPTATION: THE ROLE OF STAP IN THE LDCF AND SCCF

Consideration of this topic focused on document GEF/LDCF.SCCF.10/5/Rev.2, *The Science of Adaptation: The Role of STAP in the LDCF and SCCF*. The Council adopted the decision without comment.

Decision: The Council approved the proposed formalization of an active STAP role in providing advice to the GEF in terms of its adaptation portfolio, funded through the LDCF and SCCF, and the addition of a new STAP panel member dedicated to providing advice to adaptation to climate change under the LDCF and SCCF.

FY2012 WORK PLAN AND BUDGET FOR THE EO UNDER THE LDCF AND SCCF

Discussion on this topic was based on document GEF/LDCF.SCCF.10/ME/1, *FY2012 Work Plan and Budget for the Evaluation Office under the Least Developed Countries Fund and the Special Climate Change Fund*. The EO reviewed expected activities to be covered with these funds, and the Council approved the recommended decision.

Decision: The LDCF/SCCF Council approved the work plan and budget.

ADMINISTRATIVE BUDGET OF THE LDCF AND SCCF

Consideration of this agenda item was based on document GEF/LDCF.SCCF.10/6/Rev.1, *Administrative Budget for the Least Developed Countries Fund and the Special Climate Change Fund for Fiscal Year 2012 (July 1, 2011 – June 30, 2012)*, which the Secretariat explained reviews the outcome of FY2011 budget and proposes an administrative budget to cover the costs of the Secretariat, the Trustee and STAP for FY2012.

Decision: The Council approved the proposed budgets, with: US\$660,531 for the Secretariat, US\$174,100 for the Trustee from the LDCF; and US\$421,119 for the Secretariat, US\$78,600 for STAP and US\$138,600 for the Trustee from SCCF.

PLEDGING SESSION

CEO Barbut underscored the importance of pledging sessions for the two funds, not only so that the GEF can report positively on these funds to the next UNFCCC Subsidiary Body for

Implementation meeting, but also to provide more resources to help the countries most vulnerable to climate change, especially SIDS.

Germany pledged 50 million Euros to the LDCF, 40 million in 2011 and 10 million in 2012, and 25 million Euros to the SCCF, 20 million of it in 2011 and 5 million in 2012. Australia announced AU\$15 million for the LDCF. Both stressed that their pledges were part of their fast start commitments made at the Copenhagen Climate Change Conference.

GLOSSARY

AMR	Annual Monitoring Report
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
COP	Conference of the Parties
CPS	country portfolio studies
CSO	civil society organization
EO	Evaluation Office
FY	fiscal year
GEF	Global Environment Facility
GEF-5	fifth replenishment of the GEF Trust Fund
LDCF	Least Developed Countries Fund
MEA	multilateral environmental agreement
NGO	non-governmental organization
OPS	Overall Performance Study
PIF	Project Identification Form
POPs	persistent organic pollutants
SCCF	Special Climate Change Fund
SIDS	small island developing States
SRC	Selection and Review Committee
STAP	Scientific and Technical Advisory Panel
TE	terminal evaluation
UNCCD	United Nations Convention to Combat Desertification
UNCSO	United Nations Conference on Sustainable Development (also known as Rio+20)
PIF	Project Identification Form
POPs	persistent organic pollutants
SCCF	Special Climate Change Fund
SIDS	small island developing States
SRC	Selection and Review Committee
SIDS	small island developing States
SRC	Selection and Review Committee
STAP	Scientific and Technical Advisory Panel
TE	terminal evaluation
UNCCD	United Nations Convention to Combat Desertification
UNCSO	United Nations Conference on Sustainable Development (also known as Rio+20)
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change