# GEF Council Bulletin

**A Summary Report of the**
**50th meeting of the Global Environment Facility (GEF) Council**
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## SUMMARY OF THE 50TH MEETING OF THE GLOBAL ENVIRONMENT FACILITY COUNCIL 7-9 JUNE 2016

The 50th meeting of the Global Environment Facility (GEF) Council convened in Washington, DC, US, from 7-9 June 2016, at World Bank headquarters. The meeting marked the occasion of the 25th anniversary of the GEF. Representatives of governments, international organizations and civil society organizations (CSOs) attended the three-day meeting, which also included the 20th meeting of the Council for the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF). The meetings were preceded by a consultation with CSOs on 6 June, as well as a meeting of the Scientific and Technical Advisory Panel (STAP). In addition, Rémi Allah-Kouadio, Minister of Environment and Sustainable Development of Côte d'Ivoire, addressed the opening session, and Li Yong, Director-General, UN Industrial Development Organization (UNIDO), spoke with GEF Council members during a lunchtime dialogue.

GEF Chief Executive Officer (CEO) and Chairperson Naoko Ishii and Caroline Leclerc (Canada) served as Co-Chairs for the meetings. The Council engaged in a dialogue with the STAP Chair and considered agenda items on, *inter alia*: GEF 2020 and future directions for the GEF; the first GEF corporate scorecard and results-based management action plan; monitoring agency compliance with GEF policies; future directions for accreditation; and the GEF project and program cycle policy.

The Council discussed relations with the conventions and other international institutions, with presentations by the Executive Secretaries from the UN Framework Convention on Climate Change (UNFCCC), the UN Convention to Combat Desertification (UNCCD) and the Convention on Biological Diversity (CBD), as well as the Principal Coordinator of the Minamata Convention on Mercury. GEF Council members were also briefed by representatives from the UN Development Programme (UNDP), International Fund for Agricultural

**Essam Nada**, Chair of the GEF-CSO Network, presented token of appreciation to **Naoko Ishii**, GEF CEO and Chairperson, for her support of the GEF-CSO Network throughout the years

### IN THIS ISSUE




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Development (IFAD) and the World Bank on progress to date for the three Integrated Approach Pilot (IAP) Programs that their organizations are leading: taking deforestation out of the global commodity supply chain, fostering sustainability and resilience for food security in sub-Saharan Africa, and sustainable cities, respectively.

The LDCF/SCCF Council convened for its 20th meeting on 9 June, and considered a progress report on the funds as well as the 2015 Annual Monitoring Review and 2015 Annual Evaluation Report of the Funds, and Work Program and budgets for 2017.

At the conclusion of the meetings, Council members reviewed and approved the Joint Summary of the Co-Chairs for the GEF Council and LDCF/SCCF Council meetings. The GEF Council approved a Work Program comprising 38 project concepts and four programmatic frameworks, with total resources amounting to US$398.68 million. The programmatic frameworks include a Global Partnership on Wildlife Conservation and Crime Prevention for Sustainable Development and a project on Leapfrogging Markets to High Efficiency Products. In addition, the 50th meeting of the GEF Council also established a new trust fund for the Capacity-building Initiative for Transparency (CBIT).

This summary highlights the discussions and decisions reached at the 50th meeting of the GEF Council and the 20th meeting of the LDCF/SCCF Council.

## A BRIEF HISTORY OF THE GEF

The Global Environment Facility (GEF) was created in 1991 as a result of mounting concern over global environmental problems and in an effort to formulate financing responses to address these problems. The GEF operated in a pilot phase within the World Bank until mid-1994. Negotiations that restructure the GEF into a permanent, separate institution 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 STAP. The Evaluation Office was created in 2003. The GEF Assembly has convened five times: 1-3 April 1998 in New Delhi, India; 16-18 October 2002 in Beijing, China; 29-30 August 2006 in Cape Town, South Africa; 25-26 May 2010 in Punta del Este, Uruguay; and 28-29 May 2014, in Cancun, Mexico.

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 comprises 32 appointed Council members, each representing a constituency group of countries, most of which are composed of either donor or 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). In April 2014, the Trust Fund was replenished by US$4.43 billion from 31 donor countries (GEF-6).

The GEF serves as a financial mechanism for a number of multilateral environmental agreements (MEAs), including the: CBD, UNFCCC, Stockholm Convention on Persistent Organic Pollutants (POPs), UNCCD and Minamata Convention on Mercury. The GEF also funds activities in the areas of sustainable forest management, international waters and ozone layer depletion. The GEF administers the LDCF and the SCCF, which were established by the UNFCCC, and the Nagoya Protocol Implementation Fund (NPIF), which was established by the CBD. The GEF Secretariat also hosts the Board Secretariat of the Adaptation Fund established by the parties to the Kyoto Protocol to the UNFCCC.

GEF funding has been channeled to recipient countries through "GEF Agencies," which as of June 2016 includes the: UNDP; UN Environment Programme (UNEP); World Bank; Food and Agriculture Organization of the UN (FAO); UNIDO; African Development Bank (AfDB); Asian Development Bank (ADB); European Bank for Reconstruction and Development (EBRD); Inter-American Development Bank (IDB); IFAD; World Wildlife Fund, Inc. (WWF-US); Conservation International (CI); International Union for Conservation of Nature (IUCN); Development Bank of Southern Africa (DBSA); Brazilian Biodiversity Fund (FUNBIO); Chinese Foreign Economic Cooperation Office (FECO); Development


GEF-CSO Network group photo with **Naoko Ishii**, GEF CEO and Chairperson

Bank of Latin America (CAF); and West African Development Bank (BOAD). Summaries of IISD RS coverage of past GEF Council and Assembly meetings can be found at: http://www.iisd.ca/process/trade_invest_in_sd.htm.

**GEF COUNCIL CONSULTATION WITH CSOs:** A GEF Council Consultation with CSOs took place on Monday, 6 June 2016, in Washington, DC. The CSO consultation included a dialogue with the GEF CEO and Chairperson Naoko Ishii, discussions on an evaluation and recommendations for changes in the GEF-CSO Network, case studies on the GEF experience in five countries and future directions for the GEF. For IISD RS' summary of the proceedings, see: http://www.iisd.ca/gef/council50/6jun.html.

## REPORT OF THE GEF COUNCIL MEETING

On Tuesday, 7 June 2016, Naoko Ishii, Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), opened the 50th meeting of the GEF Council, noting that it marks the GEF's 25th anniversary. Describing 2016 as the year of implementation of the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change, she called for a solution to the problem of the global commons, and introduced the agenda.

Rémi Allah-Kouadio, Minister of Environment and Sustainable Development of Côte d'Ivoire, said GEF resources to fight climate change, poverty, insecurity, ignorance and other challenges need to be enhanced, and expressed his country's commitment to being a GEF donor.

**Rémi Allah-Kouadio**, Minister of Environment and Development, Côte d'Ivoireon implementation of the GEF2020 strategy.

Caroline Leclerc (Canada, Council member for Canada), was elected Co-Chair for the 50th meeting of the GEF Council.

The Provisional Agenda (GEF/C.50/01/Rev.02) was adopted without amendment.

### *UPDATE ON GEF2020*

GEF CEO and Chairperson Naoko Ishii provided the Council with an update on the GEF2020 Strategy, which was approved in 2014. She said that, although it is still too early to detect tangible results on the ground, it is possible to capture some early lessons. She highlighted four key issues for discussion: emerging lessons from new initiatives, such as integrated approach pilots (IAPs), and how these could drive and catalyze further growth; the GEF's role in the rapidly changing environmental financing landscape and the GEF's value proposition and complementarity with other funds and mechanisms; the GEF's focus on resilience and integrating it into all operations; and the effectiveness of the delivery machinery.

In the ensuing discussion, several GEF Council members highlighted the need for the GEF to focus on finding its comparative advantage and retaining its uniqueness in a rapidly changing climate finance landscape. With respect to the update report, one Council member asked for more granular information on how the GEF is going to implement GEF2020, and what information underpins the statements made in the report. Another Council member suggested looking at the GEF's agency model and investigating the possibility of converting countries into principal implementing partners and agencies into knowledge partners.

One GEF Council member emphasized: the centrality of multilateral environmental agreements (MEAs) to the GEF and that this focus separates the GEF from the Green Climate Fund (GCF), which only has a climate mandate; ensuring that programmatic approaches are not just bundles of projects but are achieving something valuable and unique; that resilience "is not just a buzz word but is now a part of how business is conducted" and the need to institutionalize resilience monitoring and reach out to other institutions to share lessons; the need to use influencing models that promote policy changes; and the need for more milestones in the GEF2020 strategy to be able "to see the road ahead" and not just look "through a rear view mirror."

Another Council member highlighted the need to focus on new donors to achieve a greater group of countries funding the GEF, and several Council members highlighted the important role of multilateral development banks (MDBs), as they can drive change and engage with communities. Council members also called for a greater focus on the private and finance sectors and how to mobilize funding from them, especially through green funds and guarantees. One Council member said the GEF needs to be bolder in implementing the GEF2020 strategy and that it needs to reflect on whether the framework for the GEF adopted in the 1990s would be the same in the 2020s.

GEF CEO Ishii responded that there is a need to identify what the GEF can offer MDBs, as they currently channel only 0.5% of GEF funding. She noted that the influencing model is embedded in the reports to the conventions. Gustavo Fonseca, GEF Secretariat, noted that the GEF has received guidance from the UN Framework Convention on Climate Change (UNFCCC), Convention on Biological Diversity (CBD) and UN Convention to Combat Desertification (UNCCD) to look into synergies and said there is full alignment among them with respect to the IAPs.

### *GEF CORPORATE SCORECARD & RESULTS-BASED MANAGEMENT ACTION PLAN: UPDATE ON PROGRESS AND PLANNED WORK*

On Tuesday, Christine Roehrer, GEF Secretariat, introduced the *GEF Corporate Scorecard & Results-Based Management Action Plan: Update on Progress and Planned Work* (GEF/C.50/03), noting that this was the first time the GEF Corporate Scorecard was presented to the GEF Council. She announced that an updated scorecard will be presented at each of the Council's subsequent meetings and that an in-depth report containing data aggregated by replenishment and focal area will be presented to the 51st meeting of the GEF Council in October 2016.

**Christine Roehrer**, GEF Secretariat

Council members welcomed the scorecard and action plan and proposed various improvements, including: comparing GEF-6 expected results to GEF-5 deliverables; accounting for all financial flows in greater detail; reporting on socio-

economic co-benefits; including a "traffic-light" indication of performance; bringing out the GEF's role in securing co-financing; focusing on realized, not projected, co-financing; and addressing lessons learnt.

Several called for national scorecards. Others expressed concern over the amount of time it took on average between the Project Identification Form (PIF) approval by the Council and CEO endorsement: 23 months for full-sized projects (FSPs) compared to the 18-month target, and 18 months for medium-sized projects (MSPs) compared to the 12-month target. Others cautioned about "overfulfillment" of GEF-6 utilization of funds in some focal areas. One Council member called for comparing the performance of small island developing States (SIDS) to that of other countries.

The GEF-CSO Network recommended deepening the indicators and criteria associated with gender.

During the Wednesday consideration of the Work Program, in response to questions from the scorecard discussions, Fonseca said that for SFM programming, 82% of resources have been approved and everything will be programmed by October 2016. He noted that, with the GEF target on the benefits of emission reduction being 188%, they included considerations on the benefits beyond the climate change mitigation agenda, such as from IAPs and non-grant instruments (NGIs), as they believed these to be important. Finally, he outlined that the low achievement of the international waters target of 25% is due to the complexity of the projects, which result in project development taking more time, but that they will be able to spend the resources by the end of GEF-6.

***Decision:*** The Council took note of the Update of the Results-Based Management Action Plan, welcomed the GEF Corporate Scorecard and requested that it be provided to Council for information on an ongoing basis.

### *MONITORING AGENCY COMPLIANCE WITH GEF POLICIES*

On Tuesday, Roland Sundstrom, GEF Secretariat, introduced the document on *Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender and Fiduciary Standards* (GEF/C.50/04). He noted that, while all GEF Agencies have been determined to be in compliance with GEF policies on environmental and social safeguards, gender and fiduciary standards, the Council has raised the question of how to ensure continued compliance. Sundstrom noted that the Secretariat recommended the third of three options for a GEF Council decision: (1) no change in the current procedure; (2) maintain the current procedure and add Agency monitoring with reporting on relevant policy changes aligned with the replenishment cycle; or (3) the first two options plus an independent expert review.

**Roland Sundstrom**, GEF Secretariat

A number of Council members questioned whether option 3 was necessary at this time, and requested more information on the implied costs for an independent review and what the process would be if an Agency were found to be out of compliance with the policies. Council members supported ongoing due diligence, and questioned how that could be accomplished in the least onerous and most efficient manner. Some Council members suggested that option 2 would suffice for now, adding that an expert review could be requested later, if necessary. Another speaker suggested that the Council might consider establishing a time limit at which point Agencies would renew their commitment to being an Agency, saying that the review should be tied to renewing partnerships with the GEF.

The GEF-CSO Network welcomed option 3, and suggested coordinating efforts on this issue with the GCF to the extent that there are overlapping Agencies.

Juha Uitto, Director of the Independent Evaluation Office (IEO), noted that, as part of the Sixth Overall Performance Study of the GEF (OPS6), the IEO would evaluate the health of the partnership, and said issues related to this agenda item could be built into that evaluation.

Council members highlighted that there was agreement on option 2 as a minimum threshold, and added that the Secretariat could be asked to provide information on costs, the procedures through which option 3 might be implemented, and any risks related to the issue, for a discussion at a future Council meeting.

On Thursday, the Council reviewed a revised decision, which noted that the Council requested the Secretariat to present more detailed modalities related to the options for consideration at the 51st meeting of the GEF Council. A Council member suggested that, in addition to information on costs of a possible risk-based independent third-party review of GEF Agencies' compliance, the Secretariat should also indicate the proposed "periodicity" of such assessments.

***Decision:*** The Council took note of the three options and agreed, in principle, on the need for periodic self and third party-assessment of Agencies' on-going compliance with GEF Policies on Environmental and Social Safeguards, Gender, and Fiduciary Standards. The Council further agreed that reporting on self-assessments should take place once per replenishment cycle, starting in the final year of GEF-7. The Council requested that the Secretariat present, at the October 2016 Council meeting, implementation modalities for Agencies' self-assessment and, for further discussion, additional information on costs, the periodicity of assessment and modalities for possible risk-based independent third-party review of Agencies' compliance.

### *CAPACITY-BUILDING INITIATIVE FOR TRANSPARENCY: ESTABLISHMENT OF A TRUST FUND AND PROGRAMMING DIRECTIONS*

On Tuesday, Gustavo Fonseca, GEF Secretariat, presented the documents on *Establishment of a Trust Fund for the Capacity-building Initiative for Transparency* (GEF/C.50/05) and *Programming Directions for the Capacity-building Initiative for Transparency* (GEF/C.50/06), explaining that they had been prepared on the basis of the outcomes of informal consultations with countries and GEF Council members. He said that, in response to a request by the UNFCCC Conference

of the Parties (COP) reflected in the decision adopting the Paris Agreement, the GEF Secretariat aimed to make a trust fund for the Capacity-building Initiative for Transparency (CBIT) operational as soon as possible.

Council members indicated they were pleased with how fast the GEF Secretariat had responded to the UNFCCC's request.

The US reiterated its multi-year pledge of US$15 million. The UK and Canada reaffirmed their respective pledges of £10 million and CAD$5 million. Others, including Italy, Germany and Japan, expressed their intention to pledge.

Several Council members emphasized capacity retainment over capacity building. Some Council members cautioned against the CBIT trust fund prejudging UNFCCC negotiations on transparency and its modalities becoming a burden to recipient countries. Others sought assurances that the trust fund would be additional to other capacity building initiatives.

Council members also addressed, *inter alia*: criteria for accessing the trust fund; whether it should extend beyond GEF-6; and the CBIT encompassing transparency of action and support.

The GEF-CSO Network called for: a clear definition of transparency; clarity in the trust fund's application to the Least Developed Countries (LDCs) and SIDS; and a results-based time-bound framework to measure institutional and technical capacity, among other recommendations.

Dechen Tsering, UNFCCC Secretariat, welcomed announcements of contributions to the CBIT trust fund. Priya Basu, World Bank, said the World Bank is prepared to act as Trustee for the CBIT Trust Fund.

***Decision:*** The Council approved the arrangements proposed for the establishment of a new trust fund, with the aim to support the CBIT as part of the Paris Agreement and the decision adopting it. It further invited the World Bank to act as Trustee for the new CBIT Trust Fund.

The Council also approved the programming and implementation modalities for the CBIT, to be supported by the new Trust Fund.

### *FUTURE DIRECTIONS FOR ACCREDITATION: A FOLLOW UP*

IEO Director Juha Uitto introduced the document regarding the *Evaluation of the Expansion of the GEF Partnership - First Phase* (GEF/ME/C.50/06). http://www.iisd.ca/gef/council50/images/6jun/1GEF_cso_naoko_0796.jpg IEO, noted that the evaluation found that, *inter alia*: the partnership perceives itself to be effective in delivering on its environmental mandate; GEF Official Focal Points (OFPs) are satisfied with the quality of services; partner agency choices have increased as have choices within each country, except for on waste and chemicals; and there are costs associated with managing a more complex network.

L-R: **Omid Parhizkar**, **Christine Roehrer**, and **Elwyn Grainger-Jones**, GEF Secretariat

Elwyn Grainger-Jones, GEF Secretariat, introduced the document on *Future Directions for Accreditation: A Follow-Up* (GEF/C.50/07), which found that there are no major geographic gaps in terms of the number of Agencies countries can work with, nor are there any thematic gaps. He highlighted that further expansion could have an impact on the engagement of existing Agencies and increase the transaction costs for strategically working together as a partnership. He said the review suggests there is no need for a further expansion of Agencies this close to the previous expansion, but added that it might be worth revisiting the question after the GEF-7 replenishment.

Several Council members supported exploring the possibility of permitting countries to directly implement GEF programs and projects. One Council member asked whether these national agencies would just work nationally or also regionally or internationally, adding that if they were to only work nationally, a new type of agency would need to be established. Several members said the inclusion of national agencies would require more in depth analysis.

Council members suggested, *inter alia*: reviewing the entire investment portfolio to evaluate accredited organizations' carbon footprints and impact on the environment and climate; strengthening the present partnership instead of expanding Agencies at this point; reassessing accredited Agencies periodically; and not being too restrictive when it comes to further accreditation.

One Council member said the sufficiency criteria developed for this review exercise should be referenced in the decision so they could be used in the next review. Several Council members argued that a decision on whether to expand the number of Agencies should not be taken at this time, with some saying the question should be revisited before or in the framework of the negotiation of GEF-7, and others saying it should happen at the beginning of GEF-8.

Following a short discussion on Thursday morning, the decision was adopted.

***Decision:*** The Council decided to reassess, at the end of GEF-6, whether to launch a process to accredit a limited number of additional Agencies. The Council agreed that this should build on the findings of OPS6 and take into account criteria set out in the Secretariat's paper (GEF/C.50/07). The Council also requested that the IEO, in OPS6, evaluate the extent to which the GEF's business model optimizes the diverse capabilities available within the GEF partnership.

### *GEF PROJECT AND PROGRAM CYCLE POLICY*

Elwyn Grainger-Jones, GEF Secretariat, introduced the document on the *GEF Project and Program Cycle Policy* (GEF/C.50/08). He noted that the document seeks to codify the GEF's existing practices and policies, and brings together information that is included in 28 different documents. He said the document includes only one proposal for a new policy, related to the treatment of Agency fees for Full-sized Child Projects under programs.

Council members complimented the Secretariat for compiling the GEF's policies and procedures in this document, and highlighted that the document would make the project preparation process more transparent. A few Council members

noted that some issues were missing, such as the cancellation policy, mid-term and terminal requirements, and the role of the operational focal point.

Some suggested that the document be further developed to provide guidelines for those who want to apply for GEF funds, adding that such guidelines should be developed in cooperation with the GEF Agencies. Several Council members suggested that this document be approved as a package with such a guideline document.

The Secretariat said the document would be a living one and the policy would drive the guidelines.

On Thursday, the Council considered a revised draft decision. Council members proposed adding a timeline for when the Guidelines on the project and program cycle would be ready.

**Decision:** The Council approved the Policy and indicated that it replaces and supersedes all relevant previous Council approved Working Documents and decisions concerning the GEF project and programmatic approach cycles. The Council also requested that the Secretariat establish a working group with the GEF Partner Agencies, and the Scientific and Technical Advisory Panel (STAP) and the Trustee to develop and issue Guidelines on the project and program cycle by or before the June 2017 Council Meeting. The Council also requested that the Secretariat bring to Council any issues that would benefit from further guidance.

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

On Wednesday, 8 June, Rosina Bierbaum, Chair, STAP, presented the *Report of the Chairperson of the Scientific and Technical Advisory Panel* (GEF/STAP/C.50/Inf.01/Rev.01), outlining five areas of work.

She updated the GEF Council on the IAP programs on taking deforestation out of the commodities supply chain, sustainable cities and food security, emphasizing the importance of: program-level theories of change; indicators; and knowledge management (KM). She highlighted the resilience framework being piloted in child projects in Ethiopia and Nigeria.

Bierbaum drew attention to two reports released at the 50th meeting of the GEF Council: "Designing projects in a rapidly changing world: Guidelines for embedding resilience, adaptation and transformation into sustainable development projects" and "Governing key flows in a Source-to-Sea continuum: A conceptual view and theory of change" (S2S).

On ongoing work, Bierbaum reported on STAP's recent PIF screening, pointing out that many PIFs lack a theory of change and focus on "outputs rather than outcomes." She also addressed selected areas of work, including: the Mercury Platform focusing on mercury concentrations in fish; the Green Chemistry holistic approach to curtailing marine litter from plastics; areas beyond national jurisdiction (ABNJ); wildlife trade; and a KM system that can capture replicable lessons and best practices.

**Thomas Hammond**, STAP Secretary and **Rosina Bierbaum**, STAP Chair

Bierbaum outlined STAP's engagement with the CBD, UNCCD and UNFCCC, and presented STAP's vision of the GEF going forward, recommending that: environmental degradation be handled in a more integrated and holistic way; sustainable development be at the core of GEF interventions; and the GEF continue to be catalytic and innovative while actively seeking to affect permanent and transformational change.

Among project design principles for the future, she highlighted enlarging the scope of, exploring new areas for and expanding approaches to integration. She further emphasized enhancing the impact of the GEF's interventions, bridging the science-implementation gap and catalyzing action by removing barriers.

Council members welcomed the report, commending STAP for its contribution to the GEF's work. They appreciated STAP's identification of emerging areas for GEF support as well as its input on, *inter alia*: the resilience framework; ABNJ; circular economy; and integration of best practices in programming.

Council members highlighted: the need to include a theory of change in projects; enhanced support for multi-focal area (MFA) projects; the need to bridge the science-policy gap; and the importance of adaptive learning and KM. Naoko Ishii, GEF CEO and Chairperson, underscored that the KM objectives of disseminating work and "closing the loop" by using lessons learnt in new projects can be achieved through courage and incentive to learn.

Many supported the central role of sustainable development in GEF interventions, noting environmental co-benefits. Several emphasized the need to advance resilience concepts by making them user-friendly and relevant on the ground.

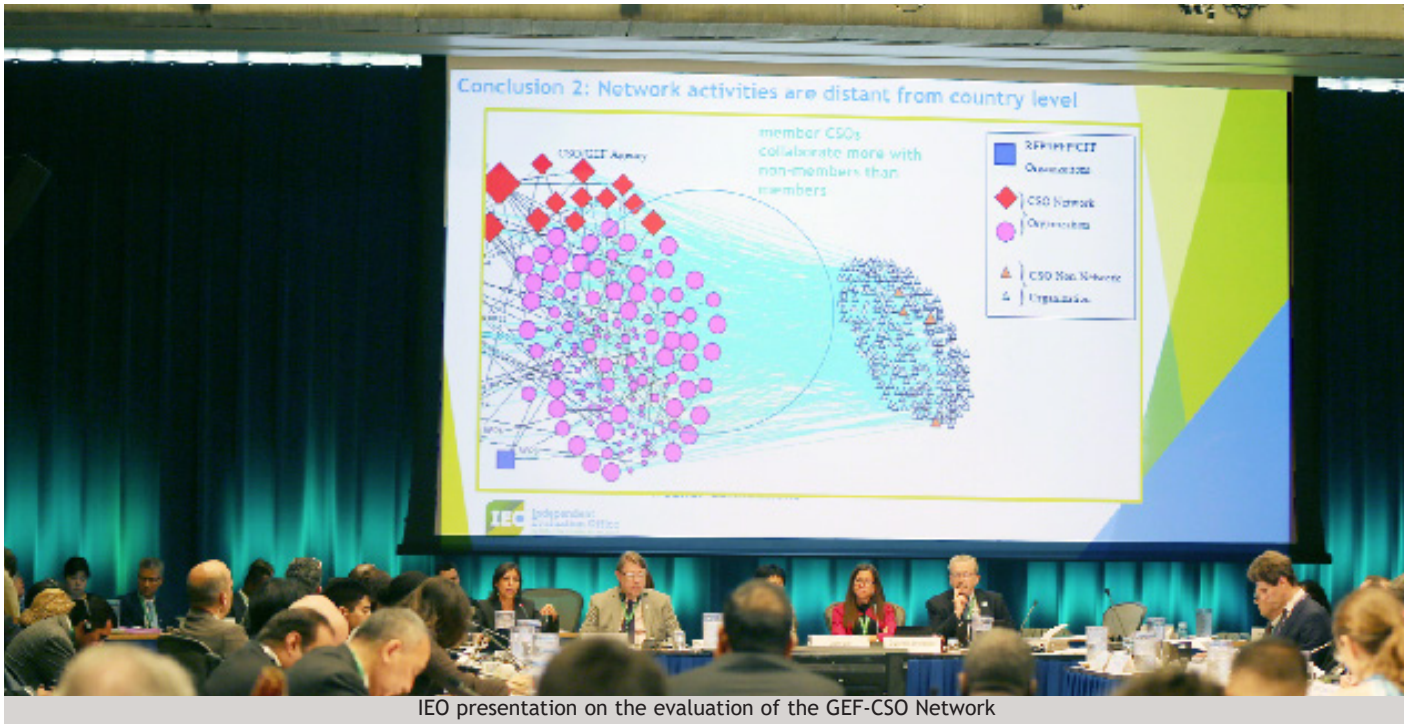
One Council member called for improving low outcome ratings of GEF projects in Africa. Another worried that climate risk assessment was not reflected in GEF projects "in a structural way."

### *SEMI-ANNUAL EVALUATION REPORT JUNE 2016*

Juha Uitto, IEO Director, presented the *Semi-Annual Evaluation Report* (GEF/ME/C.50/01). He noted that the document summarizes the main findings from the evaluations concluded between October 2015 and June 2016 including: the GEF-CSO Network Evaluation; Tajikistan Country Portfolio Evaluation; Annual Performance Report 2015; the first phase of the Evaluation of the Expansion of the Partnership; LDCF Program Evaluation; and LDCF/SCCF Annual Evaluation Report 2015. He highlighted that the report also provides an overview of ongoing evaluation work, focal area studies, the overall approach paper to the Sixth Comprehensive Evaluation of the GEF, KM initiatives and an update on the budget and staffing of the IEO. He asked the Council to alter the IEO's approved four-year budget to reallocate funding from other years to 2016-2017 to enable it to deliver OPS6.

Several Council members asked whether this would affect the overall four-year budget. Another member praised the Tajikistan evaluation and asked how much OPS6 costs compared to OPS5.

Uitto responded that he does not foresee an increase in the overall four-year budget, and noted that OPS6 will cost US$1 million while OPS5 cost US$1.4 million.



IEO presentation on the evaluation of the GEF-CSO Network

***Decision:*** The Council, having reviewed the "Semi-Annual Evaluation Report of the GEF Independent Evaluation Office: June 2016," approved the IEO Budget for the fiscal year 2017 (FY17).

### *OPS6 APPROACH PAPER*

IEO Director Uitto presented the *OPS6 Approach Paper* (GEF/ME/C.50/07) and said this meeting provides an opportunity to discuss what the IEO needs to look at in-depth and what requires less attention. He highlighted that the objectives of OPS6 are to: provide solid, evaluative evidence to inform the negotiations for the GEF-7 replenishment; build on findings of OPS5; review implementation of the recommendations that were included in OPS5; and assess progress on elements in the GEF-6 strategy. He stated that the two themes of OPS6 are the relevance and global contribution of the GEF and the performance and impact of the GEF. He committed to deliver a progress report to the Council in June 2017, which he said would include the main aspects of the evaluation. He said the synthesis report would be finished by December 2017.

Several Council members highlighted the need to evaluate the GEF's work on capacity building and the GEF's comparative advantage over other institutions and conventions that provide capacity-building support. Several members asked the IEO to assess the allocation of GEF funding and the System for Transparent Allocation of Resources (STAR), especially how the changes in the indicators in the STAR have affected the allocation to LDCs and SIDS. Another Council member suggested that the evaluation explain the STAR and its complicated formula. Several Council members called for greater focus on gender. One Council member asked the IEO to push the GEF Council to think about the fundamentals, as well as to stimulate meaningful discussions on how the GEF can do better in the lead up to the GEF-7 replenishment negotiations. A Council member outlined several points for the IEO to consider in the OPS6, including: assessing how easy it is to do business with the GEF, especially understanding the "hassle factor" associated with it; understanding the drivers of change and force multipliers with respect to how to make more impact with GEF dollars; and how to incorporate sustainability of projects into the project design earlier to ensure impact once the GEF project funding is used up. One Council member emphasised that the evaluation should look beyond the standard landscape when reviewing the relevance of the GEF at large as MDBs are stepping up their own portfolio. The GEF-CSO Network suggested the evaluation look into the effectiveness and efficiency of official focal points and whether they are following their TORs.

Uitto responded that the IEO will address the allocation system and the STAR, and that it will build in an evaluation of the GEF's work on capacity building and its comparative advantage in this field.

***Decision:*** The Council approved the OPS6 approach paper and requested the IEO to implement OPS6 and to provide the reports to the replenishment process and to the Council according to the schedule presented.

### *EVALUATION OF THE GEF-CSO NETWORK AND MANAGEMENT RESPONSE*

IEO Director Uitto introduced this agenda item and Baljit Wadhwa, IEO, presented the *Evaluation of the GEF-CSO Network* (GEF/ME/C.50/02). Wadhwa highlighted the finding that the GEF-CSO Network, which includes approximately 500 organizations, has been effective. She noted that the Network developed a new structure in October 2015, and


**Baljit Wadhwa** and **Juha Uitto**, IEO

called attention to social network mapping that indicated the Network has limited links to projects at the local level. She outlined recommendations that were developed based on the evaluation, including: create a contemporary vision; develop rules of engagement between the GEF Secretariat and the CSO Network; and strengthen the Network as a mechanism for CSO participation in the GEF and the Network's governance.

The GEF-CSO Network welcomed the evaluation and agreed with the finding that the Network's links to the country level have faced challenges, adding that this would be a priority area to be addressed. He emphasized that limited funding support has been a barrier, especially at the country level, and reviewed the Network's plans to respond to the recommendations in the evaluation, including establishment of a task force to develop a contemporary vision.

The CSO Regional Focal Point from West Asia, for the 22 member CSOs in his region, expressed concern that the new GEF-CSO Network structure has set back the Network's governance, and indicated a preference for a flat organization with equal members doing voluntary work.

Council Co-Chair Leclerc recalled that the Network established itself in response to a Council invitation and welcomed the commitment of the CSOs. Council members complimented the IEO's evaluation of the Network, emphasizing the finding that the Network has had an impact, and stressed the important role that CSOs play in the GEF partnership. Several Council members noted the importance of a healthy GEF-CSO Network for the success of the GEF, and supported creating an *ad hoc* working group of interested Council members to look into the relationship between the Council and CSOs. Council members also highlighted that the Council would benefit if CSOs could bring more input from the national and local levels.

On Thursday, the Council considered a revised draft decision. Council members suggested that a call to "request" the GEF-CSO Network to establish a working group to interact with the Council Working Group on a new vision for the Network, should instead "encourage" or "invite" the Network to take such action.

***Decision:*** The Council decided to set up an ad-hoc working group of interested Council Members to develop an updated vision of the relationship between the GEF and civil society, and a plan to achieve it, in consultation with relevant stakeholders, and report back to the Council at its first meeting in 2017. The Council encouraged the CSO Network to establish a working group that includes balanced representation of CSO Stakeholder views, to interact with the Council Working Group on a new, updated vision for the Network, including governance, policies, guidelines and cooperation mechanisms.

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

On Wednesday afternoon, the GEF Council considered *Relations with the Conventions and Other International Institutions* (GEF/C.50/09).

The Council heard a video message from Christiana Figueres, UNFCCC Executive Secretary, in which she emphasized that the long-term goal of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above preindustrial levels should drive the GEF's work. Noting that an integrated approach can transform aspirations into actions, she encouraged the GEF to work with the GCF and other multilateral funds to ensure the highest levels of complementarity and pursue replenishment with a view to replicate the success of the Paris Agreement across all conventions.

Monique Barbut, UNCCD Executive Secretary, informed the Council that Parties to the UNCCD will submit national reports every four years, which is indicative of the UNCCD's goal of harmonizing its reporting with the GEF's replenishment cycles. She drew attention to the UNCCD's COP decision adopting a land degradation neutrality (LDN) target; highlighted the linkages between this target and other SDGs; and outlined the interlinkages among land degradation, migration and security. Barbut underlined the importance of the three indicators that the UNCCD COP adopted (trends in land cover, trends in land productivity or functioning of the land, and trends in carbon stocks above and below ground) for the other Rio Conventions. Highlighting the launch of the LDN Fund by the Global Mechanism of the UNCCD, she recognized the need for enhanced financing for land-related activities.

Braulio Ferreira de Souza Dias, CBD Executive Secretary, highlighted the unprecedented convergence of global policies among the CBD, UNFCCC, UNCCD and the 2030 Agenda for Sustainable Development, among others. He called for a more integrated approach engaging not only the environmental, but a variety of sectors, and highlighted the relationship between biodiversity and socio-economic areas, including food security, sustainable consumption and production, and human wellbeing and health.

Jacob Duer, Principal Coordinator of the Minamata Convention on Mercury, said that, whereas before chemicals were treated in isolation, they are now viewed as a sustainable development issue. Highlighting interlinkages among the Minamata Convention, UNFCCC and CBD, he emphasized the impacts of chemicals and wastes on air quality, agriculture and human health. Council Members welcomed this perspective.

View of the GEF Council meeting from the perspective of the dais

The UNCCD's LDN concept and LDN Fund generated a lot of interest and support among Council members. One cautioned against overlap with GCF activities. Another urged using the three indicators to compare the implementation of the three Rio Conventions.

Several Council members identified the need for better synergies, including in national reporting, to enable implementation of the SDGs through the conventions. Some urged the GEF to support, in an integrated manner, nationally determined contributions (NDCs) submitted under the Paris Agreement.

The GEF-CSO Network urged the GEF to enhance GEF-6 targets for land use, land-use change and forestry (LULUCF) and redouble efforts on land degradation.

Other issues raised included, *inter alia*: small and microfinance; ways for lessons learnt and best practices to be shared among implementing agencies; ways to move from convention-specific approaches to integrated ones; linkages between land degradation, and migration, conflicts and instability; and GEF activities on marine biodiversity beyond national jurisdiction (BBNJ).

Responding to reactions from the floor, Braulio Ferreira de Souza Dias said the GEF could promote integration by disseminating lessons learned among different conventions. Monique Barbut urged countries to unify positions across the conventions.

***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.

### *WORK PROGRAM*

Gustavo Fonseca, GEF Secretariat, introduced the *Work Program* (GEF/C.50/11), which included 38 project concepts and five programmatic frameworks with the total resources proposed amounting to US$449.7 million. He noted that there is an indicative amount of US$2.3 billion in co-financing, which means that each dollar provided by the GEF is matched by US$5 in co-financing. He highlighted that the Program has a strong emphasis on biodiversity and natural resource management with a particular focus on Africa. He noted that GEF-6 is now at its midpoint, with 46% of the committed recourses programmed.

GEF CEO Naoko Ishii presented a new item for discussion and decision regarding the potential shortfall in GEF-6 resources due to the appreciation of the US dollar. She said the appreciation has resulted in a US$571 million shortfall, but noted that the final amount would depend on the magnitude of funding returned from overdue project cancellations. She proposed that the Secretariat prepare an update of GEF-6 resource availability and measures to be taken to address it at the next Council meeting in October 2016.

One Council member said the Secretariat needs to be more vigilant with respect to programmatic approaches in PIFs to ensure that they are a single program rather than a compilation of projects. Another member expressed concern regarding the domination of funds towards programmatic approaches and questioned whether this shift is at odds with the ability of the GEF to fulfill countries' GEF Convention priorities and requested that agencies and recipient countries only use programmatic approaches when clearly needed.

A Council member registered opposition towards three projects and abstentions towards another three. Several Council members expressed concern over the inclusion of projects that the STAP had found to have major issues, particularly the programmatic approach for "Environmental Heath and Pollution Management Program in Africa," which totals almost US$300 million. These Council members suggested that the Program be modified and returned to the Council for discussion at its next meeting. Other Council members suggested that the Council allow for the project to be reworked and resubmitted so that a decision could be made intersessionally before the next Council meeting.

Several members complimented "compelling" projects within the portfolio, including the "Systemic Approach to Sustainable Urbanization and Resource Efficiency in Greater Amman Municipality," the "Pakistan Snow Leopard and Ecosystem Protection Program" and the "Sustainable Management of Madagascar's Marine Resources."

Many Council members supported the proposed draft regarding the shortfall in funding, with two calling for more options to be presented to the Council, including an examination of the current practice on exchange rate risk management, lessons learned, and a recommendation on how to address this issue in the GEF-7 replenishment.

Two Council members called for gender to be better reflected in the projects included in the Work Program summary.

The GEF-CSO Network called for the PIFs to include more information on how to enhance participation of CSOs and indigenous peoples in projects.

One Council member said the changes in the allocation to GEF-6 should have meant a larger share of funding going to LDCs. Fonseca responded that 30 LDCs and 21 SIDS stand to receive funding under this Work Program.

Several members inquired about the GEF's support for achieving NDCs. Fonseca responded that there is no specific guidance from the UNFCCC to the GEF to implement NDCs, but that the GEF is working on aligning national programs with NDCs.

On Thursday the Council reviewed a revised decision on the Work Program where they requested that the "Environmental Health and Pollution Management Program in Africa" programmatic approach be revised and presented to the October 2016 Council Meeting.


**Jacob Duer**, Principal Coordinator of the Minamata Convention on Mercury; **Braulio Ferreira de Souza Diaz**, Executive Secretary, Convention on Biological Diversity (CBD); **Naoko Ishii**, GEF CEO and Chairperson; Co-Chair **Caroline Leclerc**, Canada; and **Monique Barbut**, Executive Secretary, UN Convention to Combat Desertification (UNCCD)

GEF50 Council members and alternates

Following a short discussion on language on the shortfall decision on Thursday morning the Work Program was adopted.

***Decision:*** The Council approved the Work Program comprising 38 project concepts (including three resubmitted projects from the April 2016 Intersessional Work Program) and four programmatic frameworks, subject to comments made during the Council meeting and additional comments that may be submitted in writing to the Secretariat by 23 June 2016. The total resources approved amounted to US$398.68 million which include GEF project financing and Agency fees.

The Work Program consists of four programmatic approaches: "Global Partnership on Wildlife Conservation and Crime Prevention for Sustainable Development"; "TRI The Restoration Initiative - Fostering Innovation and Integration in Support of the Bonn Challenge"; "Leapfrogging Markets to High Efficiency Products"; and "S3MR Sustainable Management of Madagascar's Marine Resources."

The work program approved 21 MFA projects, among others: "Incorporating Multiple Environmental Considerations and their Economic Implications into the Management of Landscapes, Forests and Production Sectors in Cuba"; in the Dominican Republic "Mainstreaming Conservation of Biodiversity and Ecosystem Services in Productive Landscapes in Threatened Forested Mountainous Areas"; "Green-Ag: Transforming Indian Agriculture for Global Environmental Benefits and the Conservation of Critical Biodiversity and Forest Landscapes"; and in the Seychelles "Third South West Indian Ocean Fisheries Governance and Shared Growth Project."

It approved four projects on biodiversity, among others: "The Path to 2020 – Antigua and Barbuda"; and in Mexico "Securing the Future of Global Agriculture Facing the Threat of Climate Change, Conserving the Genetic Diversity of the Traditional Agroecosystems."

The Work Program approved ten projects on climate change, among others: a global project "Technology Needs Assessments-Phase III"; "Promotion of Small Hydropower Based Mini-Grids for a Better Access to Modern Energy Services in Central African Republic"; and "Sustainable Use of Biomass to Assist the Development of Turkey's Economy Towards a Low-carbon Development Path."

It approved one regional project on land degradation: "Sustainable Rangeland Management for Biodiversity Conservation and Climate Change Mitigation."

It approved two projects on chemicals and waste: "PCB-Free Electricity Distribution in Georgia" and in Paraguay "Strengthening the Environmentally-sound Management and Disposal of PCBs in the Electricity."

The Council also took note of the GEF Trust Fund Financial Report and, in particular, the Trustee's estimate of the potential resource shortfall of the GEF-6 envelope that primarily reflects exchange rate movements. The Council noted the Secretariat's commitment to the ongoing prudential management of GEF Trust Fund resources, and requested that the Secretariat prepare an update on GEF-6 resource availability, which also reflects any funding released from the GEF Cancellation Policy, and propose other potential measures to support effective resource use during GEF-6 for Council consideration at its October 2016 meeting.

### *TACKLING GLOBAL ENVIRONMENTAL CHALLENGES THROUGH THE INTEGRATED APPROACH PILOT PROGRAMS*

On Thursday morning, representatives from UNDP, IFAD and the World Bank presented the progress to date on the IAPs their organizations are leading.

Andrew Bovarnick, UNDP, presented on the IAP program on taking deforestation out of the global commodity supply chain. He outlined the program strategy, highlighting: the supply chain approach and its focus on the beef, soy and palm oil supply chains in Indonesia, Liberia, Paraguay and Brazil; a new development pathway for agrocommodity development and forest conservation; catalyzing systemic change in commodity producing and buying countries; and the focus on learning and changing national processes. Bovarnick outlined the IAP's theory of change, including advancement of deforestation reduction through policies, enhanced capacity of producers, increased financial flows and market awareness. He emphasized: the IAP's partnership building; program components, including responsible demand, sustainable production and adaptive management and learning; engagement with MDBs to improve loans screening; and links with Reducing Emissions from Deforestation and Forest Degradation (REDD+).


**Margarita Astrálaga**, International Fund for Agriculture Development (IFAD)


L-R: **Roland Sundstrom**, GEF Secretariat; **Elwyn Grainger-Jones**, GEF Secretariat; **Naoko Ishii**, GEF CEO and Chairperson; Co-Chair **Caroline Leclerc**, Canada; and **William Ehlers**, GEF Secretariat

Margarita Astrálaga, IFAD, presented the IAP program on fostering sustainability and resilience for food security in sub-Saharan Africa. On the IAP's theory of change and structure, she highlighted the importance of: engaging stakeholder platforms; acting on enabling environments and promoting incentives; scaling up successful interventions; and feeding monitoring and evaluation (M&E) results back into stakeholder platforms. Among priority areas, she identified stakeholder engagement, coherence among the IAP and child projects, clear indicators on gender and youth, and scaled-up co-financing.

Xueman Wang, World Bank, updated Council members on the IAP program on sustainable cities, highlighting a holistic approach combining sectoral interventions with integrated urban planning. She presented the World Bank's Global Platform for Sustainable Cities, and invited interested cities to join. Launched in March 2016, the platform works closely together with GEF agencies, MDBs, UN agencies and others on integrated urban planning through the use of indicators and geospatial tools. She identified data, sustainability indicators, and urban planning and financing as the common building blocks linking the IAP participant cities together. She said that, going forward, the platform seeks to: link to SDG 11 (make cities and human settlements inclusive, safe, resilient and sustainable), the Paris Agreement on climate change and the UN Conference on Housing and Sustainable Urban Development (Habitat III); build a strong network; and reach out to cities outside it.

Welcoming the presentations, Council members stressed that the IAPs should enhance synergies and replicability. They sought clarification, *inter alia*, on the relationship between the IAP programs and other ongoing efforts on deforestation, food security and sustainable cities. One Council member said countries not included in the IAPs should not be prevented from participating.

On deforestation, Council members highlighted: the importance of the multistakeholder approach; the role of consumers; environmental and socio-economic benefits; and the need to reward commodity-producing countries.

Andrew Bovarnick pointed out that the program was supplementary to other initiatives, took into account the global roundtables promoting sustainable producers and aimed to connect them to national priorities.

On food security, Margarita Astrálaga said the program's integrated approach allowed it to contribute to as many as ten SDGs.

On cities, Ede Jorge Ijjász Vásquez, World Bank, emphasized the platform's global character, focus on implementation and peer-to-peer learning, and structural process for engagement with other networks. Xueman Wang added that the platform aimed to connect national and global platforms.

### *GEF BUSINESS PLAN AND CORPORATE BUDGET FOR FY17*

Peter Lallas, GEF Secretariat, introduced the *GEF Business Plan and Corporate Budget for FY17* (GEF/C.50/10), which presents the budget request to cover the expenses of the GEF Secretariat, the STAP and the Trustee. He explained that, for FY17, the GEF Secretariat is requesting a 0.8% increase, the STAP is requesting a 3.1% increase and the Trustee's proposed budget reflects a 1.6% decrease while still staying within the overall approved four-year budget.

Council members asked for clarification on: costs of the operations of the Secretariat, especially related to savings; whether staff salaries are in line with the new World Bank policy; the projected increase in the Trustee's 2018 budget; and the overrun of the travel budget. Lallas pointed out that savings were made due to favorable terms when the Secretariat moved offices. He noted a steady progression in salaries in accordance with the World Bank policy, which has been accounted for in the budget. He reassured Council members that: the Secretariat is rigorous in tracking travel expenses; the more recent numbers suggest that the budget will be closer to projections; and last year's overrun was due to a high level of travel associated with COP 21. He explained that that the FY18 budget for the Trustee is larger due to the organization of the GEF sixth Assembly and that this falls under the special initiative budget line. Praveen Prasad Desabatla, World Bank, added that the costs associated with the GEF sixth Assembly are in line with the costs for the fifth Assembly.

The CSO-Network requested an additional contribution through two special budget lines totaling 2% of the budget to go towards indigenous peoples' and CSOs' participation in and engagement with the GEF.

**Peter Lallas**, GEF Secretariat

***Decision:*** The Council, took note of the business plan, and approved a FY17 corporate budget from the GEF Trust Fund of US$25.586 million, comprised of: US$19.979 million for the GEF Secretariat, US$2.620 million for STAP, and US$2.987 million for the Trustee. The Council also approved a total FY17 administrative

budget for the Nagoya Protocol Implementation Fund (NPIF) of US$31,000, comprised of the following allocations from the NPIF to cover the Secretariat's and Trustee's expenses for NPIF administration and implementation: US$20,000 for the GEF Secretariat; and US$11,000 for the Trustee. The Council requested the Secretariat, in consultation with STAP and the Trustee, to present a combined FY18 corporate budget and business plan for discussion at its 2017 spring meeting.

### *ANNUAL PERFORMANCE REPORT 2015 AND MANAGEMENT RESPONSE*

Juha Uitto, introduced the *Annual Performance Report 2015* (GEF/ME/C.50/04) and highlighted that there will not be a separate Annual Performance Report (APR) next year as it will be incorporated into OPS6. Neeraj Kumar Negi, IEO, presented the findings of the report which provides a detailed overview of the performance of GEF activities and processes, key factors affecting performance, and the quality of M&E systems within the GEF partnership. He noted that Africa's performance rates were lower than those of other regions, and referenced capacity constraints and poor design as reasons for this. He cited the report's recommendation that the GEF reassess its approach to tracking tools for GEF-7, and assess the burden and utility of its biodiversity tracking tools and other alternatives. The *Management Response to the Annual Performance Report 2015* (GEF/ME/C.50/05) was provided in writing.

Council members emphasized, *inter alia*, that: due to projects in Africa and SIDS having lower ratings, the IEO needs to continue monitoring, and the GEF to take into account, their unique problems; it is "odd" that the M&E performance is low given the GEF is a learning institution; and the APR team should communicate with the team working on the GEF scorecard as there could be mutual benefits. One Council member asked for clarification on what measures will be taken with respect to the findings of the report and another called for more resources to be channeled into Country Support Programmes for African member States to strengthen their institutional coordination to improve the low outcome ratings.

On the proposal to assess tracking tools, Uitto highlighted that it is not the IEO's aim to "get rid of" useful tracking tools and that while simplification is not always the best strategy, there is a need to find out what is useful. Mohamed Bakarr, GEF Secretariat, outlined that the Secretariat will provide a report to the GEF Council in October 2016 on further action on the M&E shortcomings.

***Decision:*** The Council took note of the conclusions of the evaluation and endorsed the recommendation contained therein.

### *INVESTMENT STRATEGY REVIEW OF THE GEF TRUST FUND*

Praveen Prasad Desabatla, World Bank Trustee, presented the *Investment Strategy Review of the GEF Trust Fund* (GEF/C.50/12), highlighting that the World Bank has developed new investment strategies to include developed market equities as a way to provide greater diversity for trust funds to invest their assets.

**Praveen Prasad Desabatla,** World Bank

Council members discussed the investment options and strategies that would implement an equity mandate. Many Council members encouraged the Trustee to do further work to "expand the toolbox" of assets that are screened for Environmental, Social and Corporate Governance (ESG) considerations, and said the Co-Chairs' summary should reflect that the Council had urged the Trustee to explore ESG options. Council members highlighted that the Paris Agreement on climate change called for Parties to ensure their financial flows are consistent with the Paris Agreement's objectives, and said this requirement should extend to the GEF and its investment strategy.

One Council member inquired whether the actual returns for GEF-6 are in line with projected returns. Council members also expressed support for conservative investment options that preserve capital.

The Trustee representatives said there are many "flavors" of ESG, and their job is to find which one works across the trustee pool. He stressed that capital preservation is the most important objective, and added that this issue will come up again in the GEF-7 discussions.

***Decision:*** The Council took note of the opportunities available to the GEF to potentially enhance the investment returns through diversification of investment options, including equities, and requested the Trustee to explore ESG opportunities for the GEF Trust Fund Investment portfolio and to present the Council with options to this effect at its 52nd meeting.

### *CONFIRMATION OF PARTICIPANTS IN CONSTITUENCY GROUPINGS*

William Ehlers, GEF Secretariat, introduced the document on *Confirmation of Participants in Constituency Groupings* (GEF/C.50/13).

Council members approved the proposal contained in the document without amendment, effective immediately.

### *OTHER BUSINESS*

William Ehlers, GEF Secretariat, invited Council members to decide on the dates of the 53rd meeting of the GEF Council. Council members agreed to hold the 53rd meeting of the GEF Council from 4-7 December 2017.

## REPORT OF THE LDCF AND SCCF COUNCIL MEETING

On Thursday, 9 June, GEF CEO and Chairperson Naoko Ishii opened the 20th meeting of the LDCF/SCCF Council, highlighting the urgent need to support climate change adaptation at all levels and thanking the donors for the new pledges for the LDCF of over US$250 million made during UNFCCC COP 21. She observed that, even if GHG emissions were to stop now, climate change has been set in motion for decades to come, and the NDCs submitted to the UNFCCC Secretariat are insufficient to keep the global average temperature rise to well below 2°C, let alone 1.5°C. Stressing that sharing knowledge on adaptation is critical, she drew attention to the report titled "Time to Adapt: Insights from the Global Environment

**Naoko Ishii,** GEF CEO and Chairperson

Facility's Experience in Adaptation to Climate Change" showcasing the insights gained from the GEF-funded adaptation projects.

Opening remarks by Tosi Mpanu-Mpanu, LDC Chair in the UNFCCC process, were distributed among Council members. Mpanu-Mpanu noted that, enabled by LDCF support, almost all LDCs have prepared and submitted their National Adaptation Programmes of Action (NAPAs) and accessed funding for NAPAs implementation and the National Adaptation Plans (NAPs) process. Lamenting the gap between the LDCs' financial needs and finance available to them, he called for predictable, adequate and sustainable financing of the Fund, and invited the LDCF to help LDCs gain "enduring capacity" to develop bankable project proposals and access funding also from other bilateral and multilateral funds, including the GCF.

The provisional agenda (GEF/LDCF.SCCF.20.01/Rev.02) was adopted without amendment.

### *PROGRESS REPORT ON THE LDCF AND SCCF AND FY15 ANNUAL MONITORING REVIEW OF THE LDCF AND SCCF*

On Thursday morning, the *Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund* (GEF/LDCF.SCCF.20/03) and *FY15 Annual Monitoring Review of the Least Developed Countries Fund and the Special Climate Change Fund* (GEF/LDCF.SCCF.20/04) were presented by Gustavo Fonseca, GEF Secretariat. Both the Progress Report and the Annual Monitoring Review (AMR) indicate that demand continues to exceed the available funds. For example, as of 6 May 2016, LDCF resources amounted to US$9.84 million, whereas over US$300 million in total had been sought for projects already cleared by the GEF Secretariat and project proposals endorsed and formally submitted by countries.

Several Council members expressed concern over insufficient resources and sought clarification regarding the ceiling for potential resources available for NAPA programming. Rawleston Moore, GEF Secretariat, explained that the ceiling had been raised from US$30 to US$40 million.

One Council member welcomed increased private sector engagement and highlighted the role of MDBs in LDCs. Another called for exploring possibilities of attracting new and emerging donors.

Council members also inquired whether a scorecard could be developed in the context of the two funds, and urged for more consistent integration of gender into reporting.

The GEF-CSO Network applauded the first subnational contribution to the LDCF from the Canadian province of Quebec and called for the fulfillment of pledges made in Paris.

***Decisions:*** The LDCF/SCCF Council welcomed the Progress Report and took note with appreciation of the progress made under the LDCF and SCCF.

The LDCF/SCCF Council welcomed the AMR for FY15 and appreciated the progress made in reporting portfolio-level performance, results and lessons learned under the LDCF and SCCF. The Council also welcomed the overall finding that 94% of LDCF and SCCF projects under implementation in FY15 were rated in the satisfactory range for their progress towards development objectives.

### *LDCF/SCCF ANNUAL EVALUATION REPORT 2015 AND PROGRAM EVALUATION OF THE LEAST DEVELOPED COUNTRIES FUND AND MANAGEMENT RESPONSE*

IEO Director Juha Uitto introduced the *LDCF/SCCF Annual Evaluation Report 2015* (GEF/LDCF.SCCF.20/ME/01) and the *Program Evaluation of the Least Developed Countries Fund* (GEF/LDCF.SCCF.20/ME/02), noting that this is the first time a program evaluation has been conducted for the LDCF. Anna Viggh, IEO, presented the findings of the report and highlighted that the Annual Evaluation Report (AER) provides an annual evaluation of completed projects under the LDCF and SCCF during FY15 which amounted to five LDCF projects for US$14.6 million and six SCCF projects for US$33.91 million. She said that, since the evaluation only had 11 Terminal Evaluations to assess, it was not very representative but that only four projects had satisfactory performances on M&E. She added that although gender mainstreaming has improved, there are still major gaps.

On the Program Evaluation of the LDCF, Viggh outlined eight conclusions: LDCF-supported activities have been highly relevant to COP guidance and countries' development priorities; LDCF-supported interventions show clear potential in reaching the GEF's three adaptation strategic objectives (reduce the vulnerability of people, livelihoods, physical assets and natural systems to the adverse effects of climate change; strengthen institutional and technical capacities for effective climate change adaptation; and integrate climate change adaptation into relevant policies, plans and associated processes); contributions of LDCF-supported interventions to focal areas other than climate change are potentially significant; the efficiency of the LDCF has been negatively


Participants at the GEF 25th Anniversary Gala at the Smithsonian National Museum of Natural History

impacted by unpredictability of available resources; LDCF support to NAPA implementation projects has resulted in catalytic effects in completed projects, though extensive replication and upscaling generally demand further financing beyond the projects' timeframe; there is a clear intent to mainstream adaptation into countries' environmental and sustainable development policies, plans and associated processes; the gender performance of the LDCF portfolio has improved considerably, though there seems to be confusion as to what "gender mainstreaming" means; and there are significant discrepancies in project data from the GEF Secretariat's Project Management Information System (PMIS). Viggh highlighted three recommendations for the GEF Secretariat to: explore and develop mechanisms that ensure the predictable, adequate and sustainable financing of the Fund; make efforts to improve consistency regarding their understanding and application of the GEF gender mainstreaming policy and the Gender Equality Action Plan to the LDCF; and ensure that the data in the PMIS is up-to-date and accurate.

The *Management Response to the Program Evaluation of the LDCF* (GEF/LDCF.SCCF.20/ME/03) was presented by Gustavo Fonseca, GEF Secretariat, who highlighted that predictability of finance is not up to the Secretariat but the donors and that the Secretariat will continue working on mainstreaming gender and improving the project data in the PMIS. Several Council members concurred.

**Gustavo Fonseca**, GEF Secretariat

One Council member sought clarification on the conclusion that the lack of predictability has negatively influenced stakeholders' perceptions of the LDCF. Another inquired about the poor results on M&E. A Council member expressed concern that sustainability of projects was not high enough on the agenda and asked why the conclusion on replication and upscaling did not lead to a recommendation.

Uitto responded that the considerable delay in funding dispersal for projects in the pipeline and the lack of understanding of why this happens contribute to the negative perceptions of the Fund, and that there were not enough projects to make a recommendation regarding replication and upscaling.

Fonseca said having frequent meetings of the Adaptation Task Force enhances transparency for projects in the pipeline.

Ishii informed Council members that the Secretariat has just hired a full-time gender specialist.

***Decisions:*** The Council noted the information on the progress of the LDCF and SCCF, and requested the GEF IEO to develop the AER as the portfolios mature to become a robust source of information and a tool for decision making.

The Council took note of the conclusions of the evaluation and endorsed the recommendations, taking into account the Management Response on the Program Evaluation of the LDCF.

### *FY17 ADMINISTRATIVE BUDGET FOR THE LEAST DEVELOPED COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND AND FY17 WORK PROGRAM AND BUDGET FOR THE INDEPENDENT EVALUATION OFFICE OF THE GEF UNDER THE LDCF AND THE SCCF*

Council members considered the *FY17 Administrative Budget* (GEF/LDCF.SCCF.20/05/Rev.01) and the *FY17 Work Program and Budget for the IEO* (GEF/LDCF.SCCF.20/ME/04) at the same time.

Gustavo Fonseca, GEF Secretariat, noted that the proposed FY17 Administrative Budget was at the same level in FY16. IEO Director Juha Uitto said the Work Program included an evaluation of the SCCF, as an evaluation of the LDCF was conducted in 2015. He added that the planned evaluations of programmatic approaches and IAPs would provide evaluation information on adaptation issues.

***Decisions:*** On the FY17 Administrative Budget for the LDCF and SCCF, the Council approved the proposed budget for the GEF Secretariat, STAP and the Trustee as follows: US$1,009,731 (GEF Secretariat), US$125,000 (STAP) and US$319,000 (Trustee) from the LDCF; and US$503,726 (GEF Secretariat), US$125,000 (STAP) and US$159,000 (Trustee) from the SCCF.

On the FY17 Work Program and Budget for the IEO, the Council approved an annual budget of US$112,000, with US$36,000 from the LDCF and US$76,000 from the SCCF.

## JOINT SUMMARY OF THE CHAIRS AND CLOSING

At the end of the Thursday morning session, Council members received a draft Joint Summary of the Chairs for the GEF Council and LDCF/SCCF Council meetings, both of which included the decisions they had adopted during the meetings. Council members offered a few corrections to reflect their discussions, and adopted both the Joint Summary of the Chairs for the 50th meeting of the GEF Council and 20th meeting of the LDCF/SCCF Council.

GEF CEO and Chairperson Naoko Ishii thanked Council members for their input and a rich discussion, which she said would be useful as the Secretariat plans for the GEF-7 replenishment. Ishii closed the meeting at 2:05 pm.

## UPCOMING MEETINGS

**GEF Expanded Constituency Workshops:** In the coming months, the GEF will convene several Expanded Constituency Workshops (ECWs). Three ECWs have been scheduled. The ECW for Eastern Europe will be held in Astana, Kazakhstan, from 21-24 June 2016. The ECW for East Africa will convene in Antananarivo, Madagascar, from 26-29 July 2016. The ECW Pacific Islands will take place in Nadi, Fiji, from 4-7 October 2016. **contact:** GEF Secretariat **phone:** +1-202-473-0508 **fax:** +1-202-522- 3240 **e-mail:** secretariat@thegef.org **www:** https://www.thegef.org/gef/calendar-date

**High-Level Political Forum on Sustainable Development:** The 2016 meeting of the HLPF is the first since the adoption of the 2030 Agenda and the Sustainable Development Goals (SDGs). The session will include voluntary reviews of 22 countries and thematic reviews of progress on the SDGs, including cross-cutting issues, supported by reviews by the

UN Economic and Social Council (ECOSOC) functional commissions and other intergovernmental bodies and forums. **dates**: 11-20 July 2016 **location**: UN Headquarters, New York **contact**: UN Division for Sustainable Development **email:** dsd@un.org **www:** https://sustainabledevelopment.un.org/hlpf/2016

**BBNJ PrepCom 2:** The second meeting of the Preparatory Committee for an international legally-binding instrument on marine biodiversity in areas beyond national jurisdiction (BBNJ) will address marine genetic resources, area-based management tools, environmental impact assessments, capacity building, transfer of marine technology and crosscutting issues. **dates:** 26 August – 9 September 2016 **location:** UN Headquarters, New York **contact:** UN Division for Ocean Affairs and the Law of the Sea Secretariat **phone:** +1-212-963-3962 **fax**: +1-212-963-5847 **email:** doalos@un.org **www:** http://www.un.org/depts/los/biodiversity/prepcom.htm

**CITES CoP17:** The Conference of the Parties to the Convention in Trade in Endangered Flora and Fauna will convene for its 17th session. **dates:** 24 September – 5 October 2016 **location:** Johannesburg, South Africa **contact:** CITES Secretariat phone: +41-22-917-81-39/40 **fax:** +41-22- 797-34-17 **email:** info@cites.org **www:** https://cites.org/cop17

**Habitat III:** The UN Conference on Housing and Sustainable Urban Development (Habitat III) aims to secure renewed political commitment for sustainable urban development, assess progress and accomplishments to date, address poverty and identify and address new and emerging challenges. The conference is expected to result in an action-oriented outcome document and the establishment of a "New Urban Agenda." **dates**: 17-20 October 2016 **location**: Quito, Ecuador **contact**: UN-HABITAT **phone**: +1-917-367-4355 **email**: Habitat3Secretariat@un.org **www**: http://www.unhabitat.org/habitat-iii

**UNCCD CRIC 15:** The 12th session of the Conference of the Parties (COP12) to the UN Convention to Combat Desertification (UNCCD) decided to convene a special session of the Committee for the Review of the Implementation of the Convention (CRIC15) to discuss methodological questions relating to reporting. This special session of the CRIC will address enhancing synergies in national reporting requirements under the UNCCD, and the recently adopted SDGs, especially the land degradation neutrality (LDN) target. CRIC 15 will be preceded by meetings of the regional implementation annexes from 16-17 October 2016. **dates:** 18-20 October 2016 **location:** Nairobi, Kenya **contact:** UNCCD Secretariat **www:** http://www.unccd.int/

**51st Meeting of the GEF Council:** This meeting will be preceded on 24 October 2016 by a consultation with civil society organizations (CSOs) at the same location. On 27 October 2016 the Council will convene as the 21st meeting of the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), also at the same location. **dates:** 24-27 October 2016 **location:** Washington DC, US **contact:** GEF Secretariat **phone:** +1-202-473-0508 **fax:** +1-202-522-3240 **e-mail:** secretariat@thegef.org **www:** http://www.thegef.org/gef/council_meetings

**UNFCCC COP 22:** During COP 22, parties will meet to, *inter alia*, begin preparations for the entry into force of the Paris Agreement. **dates:** 7-18 November 2016 **location:** Marrakesh, Morocco **contact:** UNFCCC Secretariat **phone:** +49-228 815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** http://unfccc.int/

**CBD COP 13**, **COP/MOP 8 to the Cartagena Protocol on Biosafety and COP/MOP 2 to the Nagoya Protocol on Access and Benefit-sharing**: The 13th meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP 13), the eighth meeting of the Conference of the Parties serving as the Meeting of the Parties to the Cartagena Protocol on Biosafety (COP/MOP 8) and the second meeting of the Conference of the Parties serving as the Meeting of the Parties to the Nagoya Protocol on Access and Benefit-sharing (COP/MOP 2) will be held concurrently. **dates:** 4-17 December 2016 **location:** Cancun, Mexico **contact:** CBD Secretariat **phone:** +1-514-288-2220 **fax:** +1-514-288-6588 **email:** secretariat@cbd.int **www:** https://www.cbd.int/

## GLOSSARY

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|---|---|
| AER | Annual Evaluation Report |
| AMR | Annual Monitoring Review |
| CBD | Convention on Biological Diversity |
| CBIT | Capacity-building Initiative for Transparency |
| CEO | Chief Executive Officer |
| COP | Conference of the Parties |
| CSO | Civil Society Organization |
| GCF | Green Climate Fund |
| FSP | Full-sized project |
| FY | Fiscal year |
| GEF | Global Environment Facility |
| GEF-6 | sixth replenishment of the GEF Trust Fund |
| IAP | Integrated Approach Pilot |
| IEO | Independent Evaluation Office |
| NDCs | Nationally Determined Contributions |
| KM | Knowledge management |
| LDCs | least developed countries |
| LDCF | Least Developed Country Fund |
| LDN | land degradation neutrality |
| MDB | Multilateral Development Bank |
| MEA | Multilateral Environmental Agreement |
| M&E | Monitoring and evaluation |
| MSP | Medium-sized project |
| NAP | National adaptation plan |
| NAPA | National Adaptation Programme of Action |
| NPIF | Nagoya Protocol Implementation Fund |
| OPS6 | Sixth Overall Performance Study of the GEF |
| PIF | Project Identification Form |
| SCCF | Special Climate Change Fund |
| SDGs | Sustainable Development Goals |
| SIDS | Small Island Developing States |
| STAP | Scientific and Technical Advisory Panel |
| UNCCD | UN Convention to Combat Desertification |
| UNFCCC | UN Framework Convention on Climate Change |