

SUMMARY OF THE 53RD MEETING OF THE GLOBAL ENVIRONMENT FACILITY COUNCIL: 28-30 NOVEMBER 2017

The 53rd meeting of the Global Environment Facility (GEF) Council convened in Washington, DC, US, from 28-30 November 2017, at World Bank headquarters. Representatives of governments, international organizations, and civil society organizations (CSOs) attended the three-day meeting, which also included the 23rd 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 27 November.

Naoko Ishii, GEF Chief Executive Officer (CEO) and Chairperson, and Jane Chigiyal, Federated States of Micronesia (FSM) (Council member for Cook Islands, Fiji, Indonesia, Kiribati, Marshall Islands, FSM, Nauru, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, and Vanuatu), served as Co-Chairs for the meetings.

The Council adopted a Policy on Gender Equality, which will come into effect on 1 July 2018, as well as a new Policy on Stakeholder Engagement, for which guidelines will be developed through a consultative process that will seek to harmonize existing best practices.

In addition, Council members discussed and adopted the proposed November 2017 Work Program, which includes over US\$500 million in project financing and comprises: 83 full-sized projects; one programmatic approach; 101 recipient countries; 38 least developed countries (LDCs) and 28 Small Island Developing States (SIDS); and US\$2.6 billion in co-financing.

The Council also approved the 'Updated Vision to Enhance Civil Society Engagement with the GEF', requesting a progress report at the 55th Council meeting in 2018, and adopted the proposed policy on ethics and conflict of interest for Council members, alternates and advisers.

The Council discussed an update on the seventh replenishment of the GEF Trust Fund (GEF-7), the report of the Chairperson of the Scientific and Technical Advisory Panel (STAP), relations with the Conventions and other international institutions, and the Semi-Annual Evaluation Report November 2017, Management Response, and the Sixth Overall Performance Study of the GEF (OPS6).

The Council considered relations with relevant conventions, during which they heard presentations by the Executive Secretary of the Stockholm Convention on Persistent Organic Pollutants (POPs) and the Principal Coordinator of the Interim

Secretariat of the Minamata Convention on Mercury regarding GEF activities in support of their respective multilateral environmental agreements (MEAs).

The LDCF/SCCF Council convened for its 23rd meeting on 30 November and welcomed announcements of contributions totaling US\$95,348,945 for the LDCF and US\$507,949 for the SCCF. On an agenda item on the "Strategic Alignment of the LDCF Pipeline," Council members considered factors and options for the strategic and innovative use of LDCF/SCCF resources and an update on the current status of the pipeline.

At the conclusion of the meetings, Council members reviewed and approved the Joint Summaries of the Co-Chairs for the GEF Council and LDCF/SCCF Council meetings.

This summary highlights the discussions and decisions reached at the 53rd meeting of the GEF Council and the 23rd meeting of the LDCF/SCCF Council.

A BRIEF HISTORY OF THE GEF

The 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 restructured the GEF into a permanent, separate institution were concluded at a GEF participants' meeting in Geneva, Switzerland, 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 GEF Independent Evaluation Office (IEO) was created in 2003. The GEF Assembly has

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Group photo of participants at the GEF-CSO dialogue

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 programs. 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), US\$4.34 billion (GEF-5) and US\$4.43 billion (GEF-6). Negotiations for the seventh replenishment (GEF-7) are currently taking place.

The GEF serves as a financial mechanism for a number of MEAs, including the: CBD, UN Framework Convention on Climate Change (UNFCCC), Stockholm Convention on POPs, UN Convention to Combat Desertification (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 under the Kyoto Protocol of the UNFCCC, and the Nagoya Protocol Implementation Fund, 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" also known as Accredited Entities, which include the: UN Development Programme (UNDP); UN Environment Programme (UNEP); World Bank; Food and Agriculture Organization of the UN (FAO); UN Industrial Development Organization (UNIDO); African Development Bank; Asian Development Bank; European Bank for Reconstruction and Development; Inter-American Development Bank; International Fund for Agricultural Development (IFAD); World Wildlife Fund, Inc.; Conservation International; International Union for Conservation of Nature (IUCN); Development Bank of Southern Africa; Brazilian Biodiversity

Fund; Chinese Foreign Economic Cooperation Office; Development Bank of Latin America (CAF); and West African Development Bank.

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, 27 November 2017, at World Bank headquarters. The CSO consultation included a dialogue with GEF CEO and Chairperson Ishii, an update on the seventh replenishment process (GEF-7), a presentation of the updated vision to enhance civil society engagement with the GEF, and a discussion on the updated GEF policies on gender equality and stakeholder engagement in GEF projects and processes. For IISD RS' summary of the proceedings, see: <http://enb.iisd.org/gef/council53/27nov.html>.

REPORT OF THE GEF COUNCIL MEETING

On Tuesday, 28 November 2017, Naoko Ishii, Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), opened the 53rd meeting of the GEF Council, asking members to focus this meeting on: lessons learned from integrated and more complex approaches; private sector engagement; policy work related to gender, stakeholder engagement, safeguards, fiduciary standards, and knowledge management; the institutional framework related to transparency and civil society; and the work program. Highlighting



GEF CEO and Chairperson Naoko Ishii

ecosystems and natural resources as solution providers, she cited successful project examples that change the narrative from “victim of climate change to stewardship of nature as a solution.”

Jane Chigiyal, Federated States of Micronesia (FSM) (Council member for Cook Islands, Fiji, Indonesia, Kiribati, Marshall Islands, FSM, Nauru, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, and Vanuatu) was elected Co-Chair for the 53rd meeting of the GEF Council.

The provisional agenda (GEF/C.53/01/Rev.02) was adopted without amendment.

POLICY ON GENDER EQUALITY

On Tuesday, 28 November, Francoise Clottes, GEF Secretariat, presented the Policy on Gender Equality (GEF/C.53/04), noting that it is the result of an extensive process of analysis of existing policies and collaborative consultations with the GEF Gender Partnership members and others. On key elements, she said the policy sets out core principles and mandatory requirements for promoting gender equality and empowerment of women in project and program cycles, monitoring, reporting, agency policies and procedures, and compliance. She highlighted the GEF’s ambition to shift from a “gender aware” to a “gender responsive” approach by requiring robust standards in design, implementation, and evaluation of GEF activities. On long-term strategic objectives, she emphasized knowledge sharing as an important tool to inform future activities on gender equality within the work of the GEF. She said the Policy will be carried out only upon approval of an updated Policy on Environmental and Social Safeguards, to minimize transaction costs.

Many Council Members supported the formulation of the Guidelines and a time bound Action Plan but requested clarification on resourcing and interaction between the two documents in the implementation of the Policy. Council members queried about the capacity of the Secretariat to carry out the work in the Policy and suggested capacity building activities for the Secretariat and relevant partners to ensure effective implementation of the Policy.

Council members discussed the interaction between the Policy and the gender action plans under the UN Framework Convention on Climate Change (UNFCCC) and other finance mechanisms such as the Green Climate Fund (GCF).

Decision: GEF Council Members approved the Policy on Gender Equality to apply to all new GEF-financed activities submitted on or after the effective date of 1 July 2018.

POLICY ON STAKEHOLDER ENGAGEMENT

On Tuesday, 28 November, Francoise Clottes, GEF Secretariat, introduced the proposed new Policy on Stakeholder Engagement (GEF/C.53/05/Rev.01), which she noted had been developed based on a Council request at its 51st meeting in October 2016. She explained that it would supersede the 1996 Policy on Public Involvement in GEF Projects.



Francoise Clottes, GEF Secretariat

Many Council members expressed support for the new policy and said it should be implemented in a timely and efficient manner. One Council member suggested that the “do good” as well as “do no harm” approach should apply to this policy as well as to the Gender Policy. Council members also noted complementarities with the Civil Society Organizations (CSO) engagement policy and other safeguard policies, and looked forward to the development of guidelines for the implementation of the policy, highlighting the need to harmonize the rules with related rules of the agencies that facilitate implementation on the ground. The GEF-CSO Network welcomed the policy and looked forward to seeing the guidelines as soon as possible.

Clottes confirmed that detailed guidelines would be developed through a consultative process and would seek to harmonize existing best practices.

Decision: The Council adopted the Policy on Stakeholder Engagement, as drafted.

UPDATE ON THE ORGANIZATION OF THE SIXTH GEF ASSEMBLY

On Tuesday, 28 November, William Ehlers, GEF Secretariat, provided an update (GEF/C.53/09) of logistics for the 6th General Assembly, 54th Council Meeting, GEF CSO Forum, 24th meeting of the Least Developed Country Fund (LDCF) and Special Climate Change Fund (SCCF) Council, Constituency



Alternate Council member **Javad Momeni Iran**, speaks with **William Ehlers**, GEF Secretariat



A view of the room during the morning session on 28 November

Meeting, and Side Events and Exhibitions to be held at the Furama International Convention Center in Da Nang, Viet Nam. He said a Memorandum of Understanding (MOU) was signed with the Government of Viet Nam, which outlines the responsibilities of each party in hosting of the Assembly and relevant meetings.

Decision: The Council took note of the progress made and confirmed the dates of the meetings as follows: 22-23 June, Constituency Meetings and other preparation meetings; 24 June, Side Events in between meetings; 24-26 June, 54th Council Meeting; 26 June, LDCF/SCCF Meetings; 26 June, CSO Forum; 27-28 June, 6th GEF Assembly, Plenary and High-Level Roundtable; and 29 June, Site Visits.

REPORT OF THE CHAIRPERSON OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP)

On Tuesday, 28 November, Rosina Bierbaum, Chair, STAP, presented the Report of the Chairperson of the STAP (GEF/STAP/C.53/Inf.01), stressing the continued importance of integration for ensuring durable and sustainable outcomes. Noting that all spheres of society are moving toward “systems thinking,” she highlighted that integrated design that accounts for environmental, economic, and social factors is the wave of the future.

Bierbaum listed the following key elements for successful integration: applying systems thinking; articulating a theory of change; engaging stakeholders; assessing resilience; devising adaptive implementation pathways; and developing good quality knowledge management and learning. She said the GEF’s scale and access to governments make it well-positioned to address complexity and engage a wide range of actors, adding that it is up to the GEF Council how far to go on the integration continuum.

Bierbaum highlighted STAP’s upcoming work on the circular economy and areas for GEF involvement, particularly in the areas of food and plastics, with a focus on, inter alia: waste reduction; using waste as a resource; and providing incentives for recycling and reuse.

On STAP’s contribution to the upcoming GEF Assembly, Bierbaum announced papers being prepared on environmental security, novel entities introduced into the environment by humans, local commons/global benefits, knowledge management, supporting innovation, and key interactions between multilateral environmental agreements (MEAs) and the Sustainable Development Goals (SDGs).

On STAP’s screening of the Work Program, Bierbaum reported that 82 projects were reviewed and highlighted useful features of good Project Identification Forms (PIFs), such as the use of maps, articulation of a theory of change, and a focus on capturing learning. She noted for less scientifically and technically rigorous projects, STAP would have liked to see a clearer logic.

Council members expressed their support for the findings of STAP related to integrated and systematic approaches, noting further clarification would be helpful on how to fill remaining gaps related to integration for the seventh replenishment of resources of the GEF Trust Fund (GEF-7) and whether diminishing returns are experienced at a certain level of project complexity.



CSO members

A Council member urged STAP to encourage project designers to consult with political decision makers at the outset to ensure frameworks are in place to implement the change envisioned by the project. Looking forward to STAP's Assembly papers, many Council members suggested they be made available sooner than the 6th Assembly so that their findings can be incorporated in GEF-7 replenishment planning. Several Council members expressed concern about the lack of geographic diversity among STAP members.

GEF CEO and Chairperson Ishii stressed the importance of a question related to whether the current GEF system is intelligent enough to adapt to a "Plan B" as required by projects that take systematic approaches.

UPDATED VISION TO ENHANCE CIVIL SOCIETY ENGAGEMENT WITH THE GEF

On Tuesday, 28 November, Peter Wisner, Chair of the Ad Hoc Council Working Group on GEF and Civil Society Engagement, introduced this agenda item and highlighted key recommendations from the Working Group.

On changes to the selection of CSO representation, the Working Group suggested contracting a third party to carry out the selection process, which assumes that it will not result in additional costs associated with sponsoring of CSO participation. The third party entity would then work with the GEF Secretariat, GEF Agencies, the CSO Network, Operational Focal Points (OFPs) and the GEF Small Grants Program (SGP) to establish a comprehensive list of CSOs from which to draw sponsored participants from.

On structure of CSO Consultation before Council Meetings, the Working Group proposed a more structured approach that includes topics chosen by the Council, with input from CSOs and the GEF Secretariat, intended to highlight the experiences of local CSOs during project implementation while also seeking to align with the Council Meeting Agenda.

The Working Group suggested that CSO participation in Council Meetings be more integrated with the discussion of Council members by giving space to CSOs to address the Council during discussions in the order in which they ask to speak, together with Council members.

Views were divergent among Council Members on the recommendations by the Working Group, with many agreeing to elements of the Updated Vision pending clarification of modalities of selection of CSO representatives, structure of the CSO Forum and specific details of how CSOs will be engaged at the Council meetings.

A Representative from the GEF-CSO Network expressed concerns about specific elements of the Updated Vision, noting that it is not in line with recommendations made by the GEF Independent Evaluation Office (IEO), which included identification of finance modalities for the Network. He said the Vision does not elaborate on issues of governance, modalities, and structures of integration of CSOs into the work of the GEF moving forward. He rejected the suggestion for a 12-month advance notice on the Agenda of the CSO Consultation



Peter Wisner, Chair of the Ad Hoc Council Working Group on the GEF and Civil Society

and urged the Council to delay approval of the Vision until recommendations by the IEO and comments by the Network are fairly integrated.

On contracting a third party for the selection of CSO representation, views diverged on the objectivity of this approach and concerns were expressed on the cost implications of this option.

On CSO engagement during the Council Meetings, many parties agreed that CSOs will provide added value to the discussions of the Council and space should be given by order of request to speak. Others disagreed, noting that Council Members are decision makers and CSOs can continue to speak at the end of the sessions, as per current arrangements.

A decision on this matter was deferred while the Working Group continued discussions. On Thursday, 30 November, Wisner reported the Working Group had reached consensus on areas of concern to the GEF-CSO Network. With respect to the selection process for sponsored CSO representatives, he stated the reference to a third party was deleted, leaving that responsibility with the Secretariat. He noted the selection would be done in a transparent manner, with clear criteria, in consultation with the GEF-CSO Network, OFPs, IPAG, and the SGP to establish a comprehensive list of CSOs from which to draw.

Regarding the number of sponsored CSOs, Wisner noted the specific number remained undecided - the text was changed to say the Secretariat will invite a "streamlined number" of individuals depending on the agenda and budget. He also outlined a clarification that provisions regarding a deep dive on a specific topic during the CSO Consultation – in the revised document it notes that "time will also be made available for CSOs and indigenous peoples representative to directly discuss critical issues related to the Council meeting and agenda." The revised version included reference to CSOs being given the floor during Council discussion in the order in which they ask to speak – in line with elements of the Rules of Procedures for the GEF Council.

The Working Group also agreed to review the policy in four years' time.



Juha Uitto, GEF Independent Evaluation Office, **Jane Chigiyal**, Council Co-Chair, **Naoko Ishii**, GEF CEO and Chairperson, and **Francoise Clottes**, GEF Secretariat

Decision: The Council approved the recommendations to implement the Updated Vision as revised by the Working Group and requested the GEF Secretariat to present a progress report on the implementation of the Updated Vision to the 55th Council meeting.

SEMI-ANNUAL EVALUATION REPORT NOVEMBER 2017 AND MANAGEMENT RESPONSE + OPS6 PRESENTATION

On Tuesday, 28 November, Juha Uitto, Director, IEO, presented the Semi-Annual Evaluation Report November 2017 (GEF/ME/C.53/01) and OPS6, focusing on the latter's findings and recommendations. He highlighted that GEF-6 saw a significant increase in the share of resources dedicated to Least Developed Countries (LDCs) and Small Island Developing States (SIDS), with 81% of projects completed with satisfactory outcomes. He noted that sustainability outcomes are greater in middle-income countries.

Describing a study of projects that effected transformational change, he stated the factors identified could be used for an ex ante screening of projects for their transformational change potential.

Uitto explained that all of the focal areas remain relevant to the Conventions the GEF serves, noting the areas of land degradation, biodiversity, international waters, and chemicals and waste do not have funding readily available outside of the GEF.

On biodiversity, a study on projects related to access and benefit sharing under the Nagoya Protocol found that project designs were "overpacked," lacked focus, and did not adequately recognize the complexity and uniqueness of each situation, according to Uitto. He reported the Global Wildlife Program's coordination grant is accomplishing more than expected and has an appropriate theory of change, but focuses heavily on the supply side and has gaps in species and geographic coverage.

On multifocal areas and programmatic approaches, Uitto noted that they have generally been relevant and appropriately designed, but that their greater complexity and need for institutional arrangements increase costs.

Regarding the institutional framework, Uitto highlighted significant improvements on gender at the policy level and modest improvements at the practice level. He relayed recommendations on seeing the private sector as a partner rather

than only a source of financing and shifting interactions with indigenous peoples and local communities from "consultation to consent."

Uitto presented overall recommendations related to, inter alia: building on the GEF's track record; focusing more explicitly on transformational change; financial management; and enabling the private sector to work on global environmental issues.

GEF CEO and Chairperson Ishii welcomed the recommendations, noting that the Secretariat's proposed strategy for GEF-7 responds to the IEO's conclusions.

Several Council members expressed concern with the funding shortfall and frozen projects related to the "vagaries" of exchange rates, calling for prudent measures to prevent this "detrimental" situation going forward.

Underlining that climate change had received a large allocation, some Council members called for a shift to other areas, given other international climate funding mechanisms, while other Council members advocated a continued focus on climate, noting challenges in other funds. One Council member reiterated the importance of promoting the GEF's role in enabling environments and scaling up public and private investment, with another promoting the idea of the GEF finding its niche in this area, especially for climate change.

Council members also raised concerns about, inter alia: partner agencies' ability to reflect countries' sense of urgency and priorities; ensuring broader private sector engagement;



Council participants during the discussions

transparency in operational governance; a lack of specifics around interagency cooperation; the use of multilateral development bank (MDB) formulas for calculation of System of Transparent Allocation of Resources (STAR) allocations; and ensuring sustainability of GEF projects.

Many Council members underscored recommendations related to knowledge management, calling for focusing on sharing experiences and lessons learned, and tracking global environmental benefits.

A Constituency proposed that the CEO should include Medium Sized projects approved by the Secretariat in between Council meetings for the information of the Council. The same Constituency requested clarification on the accreditation of Entities, in particular National Entities by the GEF Secretariat.

A Constituency proposed the inclusion of the Greater Mekong Region as a programmatic area in GEF-7.

Decision: The Council endorsed the recommendations of the individual Evaluations in the semi-annual report, took note of the OPS6 recommendations, and advised the GEF Secretariat to address them in programming for GEF-7.

WORK PROGRAM

On Wednesday, 29 November, GEF CEO and Chairperson Ishii opened the discussion on the Work Program (GEF/C.53/13). Gustavo Fonseca, GEF Secretariat, introduced the Work Program and highlighted key elements, including: 83 full-sized projects; one programmatic approach; 101 recipient countries; 38 Least Developed Countries (LDCs) and 28 Small Island Developing States (SIDS); and US\$2.6 billion in co-financing. On percentage of allocations already programmed he listed, inter alia: 76% of total original GEF-6 resources; 94% of revised GEF-6 resources; 92% of LDCs/SIDS allocations; and 82% of STAR adjusted allocations for all other countries.



Gustavo Fonseca, GEF Secretariat, presents the GEF Work Program

On allocations, he noted that 18 GEF Agencies are represented in the November 2017 Work Program, adding that the UN Development Programme (UNDP), United Nations Environment Programme (UNEP) and the World Bank account for over 60% of the resources to be programmed.

In the ensuing discussions, Council members supported elements of the Work Program and commended the Secretariat's efforts in balancing geographical and focal area distribution of the projects. They highlighted the value of projects in their respective Constituencies.

Many Council members noted the imbalance in allocation of funding to three Accredited Entities and called for broader inclusion of all Accredited Entities in the implementation of

projects. The Secretariat noted issues related to the entities' interest, experience, and national knowledge as reasons for low representation of some Accredited Entities.

Some Council members called for strengthening linkages between focal areas to ensure environmental benefits are noted in more than one area and reiterated the need to include local communities and indigenous peoples in the implementation of projects on the ground.

On private sector engagement, Council Members noted the "low" amount of co-financing from the private sector and called for better ways to engage this partnership at the national and regional level in both project design and implementation.

One Council member underscored the value of enhancing cooperation with MDBs in promoting environmental benefits and enhancing investment in the work of the GEF.

Council members exchanged views on implications of Official development assistance (ODA) eligibility for some recipient countries. Some said the issue is not a matter for discussion at the Council meeting and that it should be referred to the Conventions that the GEF serves.

The GEF-CSO Network noted concerns by the CSOs and called for, inter alia: inclusion of women, CSOs and indigenous peoples at all levels of project process; respect for traditional knowledge and practices; aligning projects with the recently adopted gender and stakeholder policies of the GEF; and recognizing areas already protected by indigenous peoples and local communities in the implementation of GEF Projects.

One Council member objected to the approval of projects in countries under political transition and countries that have a history of human rights violations and requested 13 projects under the Work Program be recirculated to the Council before CEO endorsement.

Views were exchanged on methodologies used in projects on chemicals, wildlife and regional projects, noting that the Secretariat must closely monitor implementation to ensure that it does not conflict with the Safeguards Policy.

Decision: The Council approved the Work Program, subject to the comments made during the Council meeting and pending further submissions by Constituencies. Total resources approved in the Work Program amount to US\$546.1 million, which includes GEF project financing and Agency fees.



Council member **Aparna Subramani**, India



View of the dais during the discussions on 29 November

Single country projects include: Combating Illegal Wildlife Trade and Human Wildlife Conflict in Angola; Expanding Conservation Areas Reach and Effectiveness (ECARE) in Vanuatu; China Distributed Renewable Energy Scale-up Project; Promoting Better Access to Modern Energy Services through Sustainable Mini-grids and Low-carbon Bioenergy Technologies Among Guinea Bissau's Forest-dependent Communities; Sustainable Management of Water Resources, Rangelands and Agropastoral Perimeters in the Cheikhetti Wadi Watershed of Djibouti; Environmentally Sound Management (ESM) of Lindane in Brazil; and Environmentally Sound Management and Disposal of PolyChlorinated Biphenyls (PCBS) in South Africa.

Regional projects include Economic Growth and Water Security in the Sahel through Improved Groundwater Governance, and Impact Investment and Capacity Building in Support of Sustainable Waste Management to Reduce Emissions of Unintentional POPs (UPOPs) and Mercury in West Africa.

Multi-focal area projects include: CReW+: An Integrated Approach to Water and Wastewater Management Using Innovative Solutions and Promoting Financing Mechanisms in the Wider Caribbean Region; Integrated Natural Resource Management (INRM) in the Productive, Natural and Forested Landscape of Northern Region of Cambodia; A Ridge-to-Reef Approach for the Integrated Management of Marine, Coastal and Terrestrial Ecosystems in the Seychelles; and Conservation and Sustainable Use of Liberia's Coastal Natural Capital.

The programmatic approach is for the PRC-GEF Partnership Program for Sustainable Agricultural Development in China. A globally-focused non-grant instrument project titled, "CPIC Conservation Finance Initiative - Scaling up and Demonstrating the Value of Blended Finance in Conservation," was also approved.

PLAN TO REVIEW GEF'S SOCIAL AND ENVIRONMENTAL SAFEGUARDS

On Wednesday, 29 November, Françoise Clottes, GEF Secretariat, presented the proposal for reviewing the GEF's social and environmental safeguards (GEF/C.53/07), noting

an IEO review found the current policy framework should be updated to address potential gaps related to, inter alia: indigenous peoples and free, prior and informed consent (FPIC); climate and disaster risks and resilience; and human rights, non-discrimination, and equity.

She outlined the Secretariat's plan to undertake robust consultations to identify the most critical gaps and take stock of current systems. She added that a multi-stakeholder working group would carry out the policy review and update in time for the 55th meeting of the Council.

Many Council members welcomed the planned update, but cautioned that new standards will add costs to project preparation and implementation. Members also stressed the need to draw on best practices internationally and developments at the national level, as well as to harmonize the safeguards with those of other international organizations. Many added that consistency across organizations reduces the burden on implementing agencies.

The GEF-CSO Network stressed the importance of FPIC and hoped the safeguards will move from "do no harm" to "do good."

Some Council members urged clear Terms of Reference (ToR) and a specific deliverable be defined for the multi-stakeholder working group. Several members called for an expedited timeline, highlighting the need to have them in place at the start of GEF-7.

Responding to questions, Clottes explained the timeline is a realistic assessment of the time needed for a collaborative approach, but that the Secretariat would undertake its work as expeditiously as possible.

Decision: The Council welcomed the plan and requested the Secretariat to present an updated policy on environmental and social safeguards for consideration at its 55th meeting.

RATIONALE AND PLAN TO REVIEW GEF'S FIDUCIARY STANDARDS

On Wednesday, 29 November, Françoise Clottes, GEF Secretariat, introduced the agenda item titled, "Rationale and Plan to Review GEF's Fiduciary Standards" (GEF/C.53/08).

She highlighted that the document presents the rationale for reviewing the 2007 policy and indicated that, as the current standards are ten years old, it is important to keep them in line with international best practices, including with regard to terrorism financing, anti-corruption and whistleblower protections. Clottes noted that the document identifies the next steps for carrying out such a review, for presentation to the 55th meeting of the Council in Fall 2018.

Council members asked, *inter alia*, whether the review process will result in proposals for appropriate policies and what happens if an agency does not meet the GEF standards. Council members also noted that the timeline would allow any issues raised in the replenishment consultations to be addressed, the return of funds not used by agencies should be addressed, and the need for interim measures that reflect best practices, especially with regard to anti-money laundering and terrorist financing.

The Secretariat said the safety of the funding that is handled in the partnership is important, and broad consultation in the process of conducting the review will bring further information to the scope of the project. She said there are procedures in place to address instances when agencies are not in compliance, and interim measures to address money laundering and terrorism financing could be proposed in the interim.

Decision: The Council agreed that the 2007 GEF policy GA/PL/02, Minimum Fiduciary Standards for GEF Partner Agencies, should be reviewed in light of evolving best practice, and requested the Secretariat in collaboration with the Trustee to present the findings of such a review at the 55th Council meeting.

UPDATED POLICY ON ETHICS AND CONFLICT OF INTEREST FOR COUNCIL MEMBERS, ALTERNATES, AND ADVISERS

On Wednesday, 29 November, Peter Wisner, Chair, Ethics Committee, reported on the work of the Committee, noting it had approved the Declaration of Interest form for members, alternates, and advisers on 8 August 2017 and formulated an Updated Policy on Ethics and Conflict of Interest for Council Members, Alternatives, and Advisers (GEF/C.53/11).

Wisner said the proposed Updated Policy includes the following amendments to the Policy adopted at the 52nd Council meeting: clarification on the definition of advisers and the possibility of their receiving a waiver by the Ethics Committee to work for the Secretariat; clarification that covered individuals would not be required to disclose any classified information “as defined and determined by the individual’s government”; addition of a mechanism to allow the Ethics Committee and Ethics Officer to take into account information on conflicts of interest that comes from a third party; and clarification that covered individuals would declare to the Ethics Officer any unsolicited gift of more than US\$50.

Responding to a suggestion that CSOs should also be covered by similar policies, Wisner stressed the importance of starting with the decision makers. The GEF-CSO Network suggested adopting a broader policy on ethics and code of conduct, similar to that developed by the GCF.

Several Council members raised concerns about the treatment of confidential information once received by the GEF. Bertrand Rossert, GEF Ethics Officer, updated that 88 of 90 covered individuals had returned their DOI forms and reassured members of the security of their private data.

Decision: The Council approved the updated Policy and Terms of Reference for the Ethics Committee.

ANNUAL PORTFOLIO MONITORING REPORT 2017

On Wednesday, 29 November, Francoise Clottes, GEF Secretariat, introduced the Annual Portfolio Monitoring Report 2017 (GEF/C.53/03), which provides a snapshot of the active portfolio as of 30 June 2017. She highlighted that in six of ten target areas expected results are already reached or exceeded. She further outlined two major portfolio issues that need attention, specifically, accelerating the speed of preparation and implementation, and fully capturing the multiple global environmental benefits associated with GEF projects.

On speed, Clottes noted that the elapsed time between PIF approval and CEO endorsement is still too long and that there is significant delay between endorsement and the first disbursement. On multiple benefits of a project, she said some improvements are due to the rapid growth of the multifocal area, which tends to deliberately address multiple benefits, but that more work should be done to systematically capture these benefits in other focal areas.

Council members supported the simplification of the results architecture and looked forward to suggestions from the Secretariat on further ways to capture global multiple environmental benefits and increase speed.

One Council member expressed concern for the areas in which projects are underperforming, such as hydrofluorocarbons (HFCs) and Persistent Organic Pollutants (POPs), while suggestions are being made to decrease funding in an area the GEF is excelling – climate change mitigation.

Some questioned the validity of having agencies self-evaluate, with one member suggesting seeking beneficiaries’ feedback instead to understand their satisfaction level. Several Council members welcomed the upcoming launch of the GEF portal, which will allow more continuous, real-time tracking.

Many Council members called for more context, analysis, and investigation in relation to the data presented in the document to understand, *inter alia*, which projects were not evaluated, whether methodologies are harmonized, how results break down by country, and why delays are happening.

Responding to input, Clottes said the intention is to reconsider self-evaluation modalities and that they are planning to describe core indicators through a concrete methodology that will be shared with the agencies to bring uniformity to reporting. She added that self-reporting on why some projects have not performed well has brought up a range of issues, from local leadership arrangements, to mobilization time.

Decision: The Council welcomed the overall finding that the GEF portfolio under implementation in FY17 performed satisfactorily across all focal areas. The Council also welcomed the latest GEF Corporate Scorecard.



RELATIONS WITH THE CONVENTIONS AND OTHER INTERNATIONAL INSTITUTIONS

On Wednesday, 29 November, GEF CEO and Chairperson Ishii invited representatives from the Stockholm Convention and the Minamata Convention to address the Council.

Rolph Payet, Executive Secretary, Stockholm Convention, reaffirmed the importance of the GEF in the implementation of the Convention both through financial and technical support.

On POPs he highlighted continued high-level political commitment from the global community to further implement actions under the Convention including ways to address legacy POPs and newly listed POPs.

On guidance to the financial mechanism, he elaborated on the crosscutting nature of chemicals and waste, noting that it is linked to many issues, including gender and green jobs.

He urged the Council to retain the focal areas under the Work Program as these are important vehicles for the implementation of the Stockholm Convention, and he reaffirmed the importance of reinforcing National Implementation Plans as avenues for national action.

Council members supported continued interaction between the GEF and Stockholm Convention in strengthening national action and pursuing new activities to address POPs.

On matters relating to international waters, Council members urged the Stockholm Convention Secretariat to consider areas of collaboration with the Convention on the Protection and Use of Transboundary Watercourses and International Lakes.

One Council member cautioned against overlap in mandates with other Conventions that address issues relating to areas beyond national jurisdictions, such as the UN Convention on the Law of the Sea (UNCLOS) and the work of the International Seabed Authority.

Jacob Duer, Principal Coordinator, Interim Secretariat of Minamata Convention on Mercury, highlighted key achievements, including: the success of COP1 for the Minamata Convention in Geneva in September 2017; the 128 signatories to the Minamata Convention and 84 parties; and adoption of operational and technical decisions at COP1 related to the Secretariat.

He informed the Council that guidance to the GEF was adopted at COP1 and the decision will be transmitted once the report is finalized. He noted that the Memorandum of Understanding (MOU) between the Minamata Convention and the GEF Secretariat was not adopted at COP1 and that it will be re-considered at COP2.

Council members discussed the issue of the MOU, and GEF legal counsel clarified that there is no legal requirement for an MOU between the two entities. She said the Minamata Convention refers to the GEF as its financial mechanism and the GEF Instrument states that it will take guidance from the Convention. The legal counsel noted that although MOUs are good practice, not having one does not detract from the effectiveness of cooperation with the Minamata Convention.

The Secretariat reaffirmed that the GEF continues to support countries in the implementation of actions under the Minamata Convention.

Council members discussed several issues including: collaborative arrangements with the GCF; coordination with funds under other Conventions; details of the Land Degradation Neutrality Fund (LDN Fund); and coordination with the Montreal Protocol.

Representatives from the CBD, UNFCCC, and UNCCD commented on the proposal announced in November, regarding the creation of a Project Preparation Facility. The representatives said the proposal is in its early stages and will be introduced at an upcoming meeting.

Decision: The Council welcomed the report (GEF/C.53/12) 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.

NON-GRANT INSTRUMENTS: EXPERIENCE OF THE GEF PARTNERSHIP

On Wednesday, 29 November, GEF CEO and Chairperson Ishii introduced a panel on non-grant instruments (NGIs). She noted that a strategy to involve the private sector involves two approaches, NGIs and involving the private sector as a partner.

David Rodgers, GEF Secretariat, noted that the NGI pilot during the GEF-6 replenishment has led to a number of innovative projects that have leveraged additional resources from capital markets and strengthened partnerships with the private and public sectors. He said there have been three categories of NGIs: risk products, which address financial risk that the private sector might face if they attempt to finance an environmentally-friendly technology; equity, which involves paying for a share of a company as it launches a new product; and debt instruments, which are loans with low interest rates.

Ryan Alexander, European Bank for Reconstruction and Development (EBRD), highlighted the NGIs are useful, but not sufficient, as technical assistance and capacity building are also necessary to create an environment for the NGI project to be effective.

Lisa Pharoah, Rare, presented the Meloy Fund, which Rare launched in 2017. She noted that this impact investment fund seeks to demonstrate the potential for financial returns in the coastal fisheries sector in Indonesia and the Philippines. She said this model could be replicated and scaled.

Andrey Shlyakhtenko, International Finance Corporation (IFC), highlighted a project that used GEF funding to provide equity in an international housing fund in South Africa that was incorporating green housing. He said a good blended finance project requires an enabling environment and stakeholder capacity to undertake the project. He also said it should have a structure that is known to the market, in order to attract financing on full commercial terms upon proof of concept.

Paola Pedroza Pinzon, Inter-American Development Bank (IDB), said the NGI has allowed the IDB to scale up proven concepts, and noted that the EcoEnterprises Biodiversity Fund provides technical and financial assistance to small- and medium-sized enterprises in Latin America and the Caribbean to work in value chains aligned with the provisions of the Nagoya Protocol.

Kenneth Lay, Senior Managing Director at the Rockcreek Group, described ideal financial attributes for non-grant projects, noted that there can be challenges in bringing financing into high priority areas, and said there has been a mismatch between asset allocation protocols. He said the GEF's work creates the incentive to put product development costs into these areas.

Council Members asked what happens to the NGI funds after they are paid back, inquired about the demand for NGI projects, and asked what other innovative areas the GEF could be working on. The panelists indicated that funds are returned to the NGI once the project recoups investments. Several Council Members



David Rodgers, GEF Secretariat

said there is little appetite from developing countries for the NGI, and there are ways to have funding for LDCs and SIDS that are not as “confrontational.”

Ishii said this instrument has been oversubscribed, and that the GEF will continue to document the results of the NGI and hopes to have more information for the GEF-7 replenishment meeting in Brazil in January 2018.

CEO REPORT ON THE STATUS OF GEF-7 REPLENISHMENT

On Wednesday, GEF CEO and Chairperson Ishii presented the Co-Chairs' Summary of the Second Meeting for the GEF-7 based on the second meeting of participants held on 4-5 October 2017 in Addis Ababa, Ethiopia.

The summary contained OPS6 evaluations, programming directions, impact programs, frontier investments, private sector engagement, financing scenarios, policy agenda, financial matters, and next steps.

Some Council members opposed reduction in climate funding, noting the unique nature of GEF projects compared to existing climate finance mechanisms.

Some Council members opposed the categorization of countries based on gross domestic product (GDP) noting that developing and developed country categorization is sufficient as this is the practice under the Conventions.

Many Council members reaffirmed the importance of national ownership and welcomed the continuation of STAR.

OTHER BUSINESS

The Council agreed that the 56th meeting of the GEF Council would convene from 3-6 June 2019.

REPORT OF THE LDCF/SCCF COUNCIL MEETING

Naoko Ishii, GEF CEO and Chairperson, acting as Chairperson of the LDCF/SCCF Council, opened the 23rd meeting of the LDCF/SCCF Council on Thursday morning, 30 November. Reflecting on the recent cyclones, monsoons, and floods in SIDS and low-income countries, she reaffirmed the need for the work of the two funds and strengthening resilience of vulnerable countries. She highlighted the launch of the Climate Resilience and Adaptation Finance and Technology Transfer Facility (CRAFT) at COP 23, which receives support from the SCCF. Developed by US-based investment firm Lightsmith Group, the initiative is a first-of-its-kind climate resilience investment fund and is supported by a range of partners including the Nordic Development Fund (NDF) and Conservation International (CI).

Council members discussed predictability of the Funds and reaffirmed contributions made at COP 23, including: Germany (€50 million); Belgium (€7 million) and the Walloon region of Belgium (€3.25 million); and Sweden (SEK185 million). Switzerland announced a commitment of CHF1.89 million to LDCF and CHF500,000 to SCCF. Newly announced contributions to the Adaptation Fund were also acknowledged by both Secretariat and Council members.

The agenda (GEF/LDCF.SCCF.23/01/Rev.02) was adopted without changes.

PROGRESS REPORT ON THE LEAST DEVELOPED COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND

Gustavo Fonseca, GEF Secretariat, presented this item (GEF/LDCF.SCCF.23/03/Rev.01) and highlighted key elements. He stated cumulative pledges to the LDCF as of 13 October 2017 amounted to US\$1.23 billion. He noted that the demand for LDCF resources continues to exceed the funds available for new approvals. As of 30 September 2017, the funds available for new funding decisions amounted to US\$71.9 million.

On project proposal funding, the report noted an additional US\$57.4 million was sought towards seven project proposals that had been endorsed by countries' OFPs and formally submitted.

On LDC access, he said 50 LDCs had accessed a total of US\$1,176.3 million for 199 projects in support of the implementation of their national adaptation programmes of action and highlighted three global projects with LDCF resources amounting to US\$13.69 million. Noting the importance of the LDCF in supporting the National Adaptation Plan (NAP) process, he said total funding from the LDCF toward LDCs' NAP processes had increased to US\$51.7 million in the reporting period. This includes several projects that explicitly seek to advance NAP processes in Senegal, Rwanda, Chad, Niger, and Bangladesh.

On the SCCF, he said cumulative pledges, as of 13 October 2017, amounted to US\$351.8 million, noting that 99% of pledges have been paid. He noted that the cumulative pledges and contributions to the SCCF continue to fall far short of the demand for resources.

Referring to the GEF Programming Strategy on Adaptation to Climate Change for the LDCF and the SCCF, he said the GEF was not able to program SCCF resources at the level proposed in these scenarios. He noted that due to insufficient funds available in the SCCF, no new projects were presented for approval.

Decision: The Council welcomed the report and took note with appreciation of the progress made under the LDCF and the SCCF.

STRATEGIC ALIGNMENT OF THE LDCF PIPELINE

Gustavo Fonseca, GEF Secretariat, presented this Information Document (GEF/LDCF.SCCF.23/Inf.04), which presents factors and options in the strategic and innovative use of resources of the LDCF and SCCF and provides an update on the current status of the pipeline. The Document contains: background information on LDCF pipeline development over time; issues leading to current LDCF pipeline management; and a discussion on factors to consider to further enhance LDCF project prioritization processes.

He informed the Council that the Secretariat is planning to develop a new Climate Change Adaptation Strategy. The Secretariat requested informal consultations with members, CSOs, private sector, and key stakeholders on items addressed in the note and in moving forward.

Council members discussed various issues, including: increased stakeholder engagement; a call for proposals; and prioritization of funding. It was agreed that informal consultations would take place on the way forward.

A representative of the GEF-CSO Network noted the shortfall, acknowledged the plan for a new Strategy, and encouraged the inclusion of the GEF-CSO Network Technical Sub-Committee in discussions of this item.

JOINT SUMMARY OF THE CHAIRS

At the conclusion of the Council meetings, on Thursday, 30 November, Council members adopted both the Joint Summary of the Chairs for the 53rd meeting of the GEF Council and 23rd meeting of the LDCF/SCCF Council.

GEF CEO and Chairperson Ishii congratulated Council members for achieving the five items she put forward at the meeting opening and noted that the unexpected challenges of this meeting proved the Council has built sufficient trust to tackle difficult issues. Ishii closed the meeting at 12:57 pm.



Council member **Marcia Levaggi**, Argentina



UPCOMING MEETINGS

CBD SBSTTA 21 and 10th Meeting of the Article 8(j)

Working Group: The Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) of the Convention on Biological Diversity (CBD) will meet from 11-14 December 2017, to address, inter alia, the links between the Aichi Biodiversity Targets and the SDGs, biodiversity and health, and biodiversity mainstreaming in the energy, mining, and infrastructure sectors. The 10th meeting of the CBD Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions will meet from 13-16 December, to consider, among other issues, repatriation and progress towards Aichi Target 18 on traditional knowledge. **dates:** 11-16 December 2017 **location:** Montreal, Canada **contact:** CBD Secretariat **www:** <https://www.cbd.int/meetings/SBSTTA-21> and <https://www.cbd.int/meetings/WG8J-10>

Climate Finance Day 2017: Climate Finance Day 2017 will take stock of climate action in the financial sector since COP 21. It will showcase recent initiatives and innovations from the financial sector to accelerate the adoption of forward-looking strategies around the world. Those initiatives will be highlighted the following day at the One Planet Summit, which will be attended by international leaders, CEOs, and government representatives. **date:** 11 December 2017 **location:** Paris, France **contact:** Paris Europlace and French Ministry for the Economy and Finance **www:** <http://www.climatefinanceday.com/>

One Planet Summit: French President Emmanuel Macron has announced that, two years after the adoption of the Paris Agreement, he will convene a summit to take further action on climate, notably on the financial front. A main focus of this event will be to determine how those working in public and private finance can innovate to support and accelerate our common efforts to fight climate change. Attendance at the summit is by invitation only. **date:** 12 December 2017 **location:** Paris, France **www:** <https://www.oneplanetsummit.fr/en/>

Third GEF-7 Replenishment Meeting: The third GEF-7 replenishment meeting is scheduled to take place from 23-25 January 2018, in Brasilia, Brazil. The GEF-7 process will set the GEF's focus and funding level for the seventh replenishment period for the GEF Trust Fund. **dates:** 23-25 January 2018 **location:** Brasilia, Brazil **contact:** GEF Secretariat **www:** <https://www.thegef.org/council-meetings/replenishments>

48th Sessions of the United Nations Framework Convention on Climate Change (UNFCCC) Subsidiary Bodies: The 48th sessions of the Subsidiary Bodies to the UNFCCC and the APA are expected to take place in April-May

2018. **dates:** 30 April - 10 May 2018 **location:** Bonn, Germany **contact:** UNFCCC Secretariat **www:** http://unfccc.int/meetings/unfccc_calendar/items/2655.php?year=2018

54th Meeting of the GEF Council: This meeting will take place immediately prior to the 6th GEF Assembly. A CSO Forum will take place on 26 June. **dates:** 24-26 June 2018 **location:** Da Nang, Viet Nam **contact:** GEF Secretariat **www:** <https://www.thegef.org/council-meetings>

6th GEF Assembly: The 6th GEF Assembly, which meets every four years, will be held in conjunction with the 54th meeting of the GEF Council. **dates:** 27-28 June 2018 **location:** Da Nang, Viet Nam **contact:** GEF Secretariat **www:** <https://www.thegef.org/council-meetings/assembly>

GLOSSARY

COP	Conference of the Parties
CSO	Civil Society Organization
GCF	Green Climate Fund
GEF	Global Environment Facility
GEF-7	seventh replenishment of the GEF Trust Fund
IAP	Integrated Approach Pilot
IEO	Independent Evaluation Office
LDCs	least developed countries
LDCF	Least Developed Countries Fund
MDB	Multilateral development bank
MEA	Multilateral Environmental Agreement
NAPA	National Adaptation Programme of Action
PIF	Project Identification Form
POPs	Persistent Organic Pollutants
SCCF	Special Climate Change Fund
SDGs	Sustainable Development Goals
SGP	GEF Small Grants Programme
SIDS	small island developing States
STAR	System for Transparent Allocation of Resources
STAP	Scientific and Technical Advisory Panel
UNDP	UN Development Programme
UNFCCC	UN Framework Convention on Climate Change