

Joint Summary of the Chairs

GEF Council Meeting

November 4-6, 1997

Opening of the meeting

1. The meeting was opened by Mr. Mohamed T. El-Ashry, Chief Executive Officer/Chairperson of the Facility.

Election of a Chairperson

2. The Council elected Mr. Philippe Roch, the Member representing the constituency of Switzerland, as its elected Chairperson.

Adoption of the agenda

3. The Council adopted the provisional agenda set forth in document GEF/C.10/1.

Statements on behalf of Biological Diversity Convention and Climate Change Convention followed by questions and answers

4. Statements were made to the Council by Mr. Calestous Juma, Executive Secretary, Convention on Biological Diversity, and Mr. Michael Zammit Cutajar, Executive Secretary, United Nations Framework Convention on Climate Change. Messrs. Juma and Zammit Cutajar responded to questions from Members.

Report on the second GEF Replenishment Process

5. The Secretariat introduced the *Summaries of the First and Second Meetings of the Second GEF Replenishment*, document GEF/C.10/Inf.4. The Council took note of the progress that is being achieved in the replenishment discussions.

Decisions of the Council

6. The Council approved the following decisions.

Decision on Agenda Item 6 STAP

7. The Council reviewed document GEF/C.10/5, *GEF Experience in Incorporating the Work of STAP*, and noted with appreciation STAP's contributions to the GEF. UNEP, as it proceeds with the reconstitution of STAP, should follow the guidelines set out in the Terms of Reference for STAP approved by the GEF Council in October 1995, taking into account the Members' comments made at this meeting and the experience of the GEF entities with the work of STAP. UNEP should also provide

advance information to the Council on the proposed composition of the "new" STAP before its final submission at the April Council meeting.

Decision on Agenda Item 7 Work Program

8. The Council reviewed the proposed work program submitted to the Council in document GEF/C.10/3, and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by November 26, 1997. Comments made during the meeting include the following:

(a) the Council emphasized the importance of the principle of incremental costs to the GEF while recognizing the difficulties that continue to be encountered in its application;

(b) the Implementing Agencies should involve recipient countries in negotiations on the incremental costs of their proposed GEF projects; and

(c) the Secretariat should prepare a policy note on innovative modalities for GEF financing of projects.

Decision on Agenda Item 8 Corporate Business Plan FY99-01

9. The Council reviewed document GEF/C.10/4, *GEF Corporate Business Plan FY99-01*. The Council requests the Secretariat and the Implementing Agencies to take into account its comments on the business plan when preparing the proposed FY99 budget for approval by the Council at its meeting in April 1998. The Council further requests the Secretariat to continue to work with the Implementing Agencies to develop and apply the improved cost accounting approach for preparing the FY99 budget and to explore opportunities for piloting the introduction of a fee-based system in FY99.

Decision on Agenda Item 9 Monitoring and Evaluation

10. The Council reviewed the *Progress Report on the Preparation of Evaluation Studies*, document GEF/C.10/6, together with the *Report of the International Expert Advisory Panel for the study of GEF's overall performance*, and welcomes receiving the preliminary findings emerging from both studies. The Council requests the evaluation team to continue its work, taking into account the comments made by the Council, so as to complete the evaluation reports in accordance with the schedule presented to the Council.

Decision on Agenda Item 10 Relations with conventions

11. The Council, having reviewed document GEF/C.10/7, *Relations with Conventions*, welcomes the collaboration between the GEF and Conventions secretariats, and encourages the GEF secretariat and Implementing Agencies to continue their efforts towards active dialogue with the Parties to the Conventions at the appropriate convention meetings. The Council takes note of the initiatives of the Secretariat and Implementing Agencies to respond to the additional guidance received from the Conference of the Parties to the Convention on Biological Diversity and requests them to continue their efforts to develop project activities consistent with such guidance. The Council also takes note of the reviews being undertaken by the Conventions of their financial mechanisms, and invites all GEF Participant states, in their capacity as Parties to the Conventions, to contribute to the review process.

Decision on Agenda Item 11 Preparations for GEF Assembly

12. The Council, having reviewed document GEF/C.10/8 and GEF/C.10/8/Add.1, *Note on the GEF Assembly*, requests the CEO to proceed with preparations for the Assembly in accordance with the arrangements described in the note, and in particular the structure and timetable for the Assembly presented in Addendum 1, subject to the comments made by the Council. The Council approves the letter of notification proposed in annex A to the document, and requests the CEO to notify Participants, through the political focal point in each country, of the Assembly meeting to be held in April 1998. The Council is in agreement with the provisional agenda and proposed rules of procedures for the Assembly, and requests the CEO to transmit them to the Assembly for final approval. The Council also approves the preparation of documentation described in the proposed list of documents, and the procedures for accrediting NGOs to the Assembly meeting.

13. The Council approves the proposed budget for the Assembly presented in GEF/C.10/8/Add.1 as an addendum to the *GEF Corporate Budget for FY98* that was approved at its meeting in April 1997.

Decision on Agenda Item 12 Annual Report

14. The Council reviewed the draft Annual Report covering the activities of the GEF during FY97, document GEF/C.10/9, approves it subject to any factual corrections that may be submitted by Council Members by November 30, 1997, and requests the Secretariat to finalize the report.

Decision on Agenda Item 13 Other business

15. The Council reviewed the issues concerning incremental costs contained in document GEF/C.10/Inf. 6. The Council welcomes further work on the paper by the Secretariat, in consultation with the Implementing Agencies and the secretariats of the Biodiversity and Climate Change Conventions, taking into account Council comments, in order to clarify definitions and to further facilitate application. The paper should also include operational criteria and paradigm cases for different types of GEF activities and projects and should be submitted for Council consideration at its meeting in November 1998.

Highlights of Council's Discussions

16. The following explanations and clarifications were made during the Council's discussion of its agenda items and related decisions.

Agenda Item 6 STAP

17. The Chairman of STAP, Dr. Pier Vellinga, made a general statement to the Council on the work undertaken by STAP, and he responded to questions from the Members.

18. The Implementing Agencies were requested to include in project proposals explicit information as to how the STAP roster's technical review had been taken into account in the preparation of the project proposal.

19. The Council noted the importance of using experts from the STAP roster emanating from the region in which a project is to be implemented. The Council also urged that the roster be broadened to include expertise in applied science and economics and that the gender balance in the roster be improved.

20. It was suggested that it would be useful for the Chair of STAP to present to each Council meeting a list of STAP activities and information on their implementation status.

21. The Council recommended that UNEP include on its Search Committee for the reconstituted STAP representatives of the scientific and technical subsidiary bodies of the conventions as well as a representatives of the International Council of Scientific Unions (ICSU) and the Third World Academy of Science (TWAS).

Agenda Item 7 Work program

22. The Council welcomed the efforts that had been made to present projects in accordance with a logical framework format, and stressed that this should be consistently applied in preparing future work programs.

23. The Council noted the importance that it attaches to the work carried out under enabling activities, and it supported the continued preparation and approval of enabling activities in accordance with the expedited procedures that it has approved.

24. The Council agreed with the approach proposed by the Secretariat for responding to convention guidance in areas for which there is a lack of operational experience. That is, a pilot project should be undertaken of appropriate scope to develop norms for future project support and necessary methodologies, practices and lessons in the area under consideration.

25. Noting the increase in regional projects, the Council requested the Implementing Agencies to ensure that such projects were environmentally-justified and cost effective.

26. One Council Member, in light of national legislation regarding his country's voting position for development projects financed by certain development institutions, opposed the proposed projects, *Conservation and Sustainable Use of Dryland Agro-Biodiversity of the Fertile Crescent and Implementation of the Strategic Action Programme for the Red Sea and Gulf of Aden*, noting, however, that his constituency supports the objectives of the projects and that they have technical merit.

Agenda Item 8 Corporate Business Plan FY99-01

27. There was general agreement that the document prepared by the Secretariat was of high quality and was a more transparent and strategic business plan than those previously prepared.

28. The projected growth target of 15% was accepted, recognizing that this growth rate was dependent upon the resources that would be made available through the second GEF replenishment. The programmatic planning proposed in the business plan was also dependent upon the guidance from the conventions as well as the evaluation studies presently under preparation. The Council noted that this target should not prevent eligible projects from being entered in the work program, even if they exceed the target set in the business plan.

29. In reviewing the business plan, a number of comments and suggestions for incorporation in future business plan were raised. These include:

(a) mainstreaming of global environmental objectives into the regular activities of the Implementing Agencies was strongly supported, and the agencies were urged to identify institutional barriers to mainstreaming and proposals for overcoming those barriers;

(b) the objective of achieving global environmental benefits should always be kept in mind, in accordance with the guidance from the relevant conventions and the GEF Operational Strategy and

taking into account national priorities. In this regard, indicators for measuring results, goals for measuring progress and global environmental impacts should be included in future business plans, and performance indicators should be included in projects;

(c) the importance of multiyear programs and planning was noted;

(d) future business plans should more clearly indicate efforts on land degradation that are included in the operational programs;

(e) the national focal points should be included amongst those with whom strategic partnerships to obtain GEF objectives will be sought;

(f) efforts should continue to enhance the on-going two-way relationship between the GEF and the conventions;

(g) activities proposed under operation program #2, *Coastal, marine and freshwater ecosystems (including wetlands)*, should be made consistent with the guidance of the Convention on Biological Diversity by including a reference to Small Island Developing States and Least Developed Countries as priority countries;

(h) the Council called for better information on the status of project implementation, and the Secretariat agreed to explore the possibility of using the Quarterly Operational Report, together with the annual Project Implementation Review, as a vehicle for providing more detailed information on this matter;

(i) efforts should continue to streamline the project cycle; and

(j) the principles of cost-effectiveness, cost containment and cost management were reconfirmed. Every effort should be made to reduce the GEF administrative budget so as to increase the resources for project activities. The Implementing Agencies were requested to report on their GEF-related administrative expenditures assumed by their regular budgets.

Agenda Item 9 Monitoring and evaluation

30. The Council welcomed the progress report on the evaluation studies and the Advisory Panel. The Council reconfirmed that the report should be based on a detailed and systematic analysis of the data collected and should indicate what methodologies had been followed.

31. It was agreed that the Council would need to review the final evaluation reports, including their conclusions and recommendations, and to agree on a course of action for the Council to address the conclusions and recommendations.

32. The Council noted that the issue of mainstreaming was a crucial aspect of the report, and it was suggested that the final report be transmitted to the governing bodies of the Implementing Agencies.

Agenda Item 10 Relations with conventions

33. The Council heard statements from the representatives of the Montreal Protocol on Substances that Deplete the Ozone Layer and the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa. The Secretariat was requested to strengthen its relationship with the convention secretariats, and in particular, to have

regular exchanges with the Global Mechanism of the Convention to Combat Desertification. The Secretariat of the Convention to Combat Desertification was invited to provide regular reports to the Council on the progress that is being made in implementing the convention.

Agenda Item 11 Preparations for GEF Assembly

34. The Council expressed its appreciation to the Government and people of India for their offer to host the Assembly and for their good efforts in organizing the meeting.

35. Recognizing the importance of widespread participation in the Assembly, several Members suggested that interpretation and translation in additional languages should be provided. The CEO was requested to make every effort to seek extra budgetary resources that would permit the availability during plenary meetings of interpretation in languages additional to those proposed in the draft rules of procedure as well as for the translation of the documents of the meeting into such languages.

36. In addition to the proposed Statement of the Assembly to be prepared by the Chair and Co-Chairs and endorsed by the Assembly, the possibility should be left open for the preparation by the Assembly of a resolution on an item under its consideration.

37. The important role of major groups as observers at the Assembly was recognized, and it was suggested that they be invited to make a presentation at the Assembly based on their experience in executing GEF-financed projects. It was also noted that major groups will be invited to organize a number of panels, seminars or workshops during the Assembly.

38. In approving the budget for the Assembly, the Secretariat was requested to make every effort to minimize expenses. It was clarified that financing would be available to cover the travel expenses of 2 representatives, including a Minister, from each of the least developed countries.

39. The Council agreed that the dates for the Assembly and related meetings would be:

Sunday, March 29, 1998 NGO Consultation

Monday, March 30 - Tuesday, March 31, 1998 GEF Council Meeting

Wednesday, April 1 - Friday, April 3, 1998 Assembly

Agenda Item 12 Annual Report

40. The Council recommended that future reports present more data and comparative information, including information on leveraging by focal area and procurement data.

Agenda Item 13 Other business

41. The Secretariat was requested to continue its work on the draft operational program on promoting sustainable transport infrastructure. Council Members will be invited to submit comments on a revised draft, while any comments that might be offered on the preliminary draft would be most welcomed.

Closure of the Meeting

42. The meeting was closed by the Chairs at 4:30 pm on November 6, 1997.