

**GLOBAL  
ENVIRONMENT  
FACILITY**

May 9, 1995

**JOINT SUMMARY OF THE CHAIRS  
GEF COUNCIL MEETING**

**MAY 3 - 5, 1995**

**OPENING OF THE MEETING**

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

**ELECTION OF CHAIRPERSON**

2. The Council elected Mr. Hans-Peter Schipulle (Germany) as its elected Chairperson.

**ADOPTION OF THE AGENDA**

3. The Council adopted the provisional agenda set forth in document GEF/C.4/1.

**STATEMENTS ON BEHALF OF BIOLOGICAL DIVERSITY AND CLIMATE CHANGE CONVENTIONS  
FOLLOWED BY QUESTIONS AND ANSWERS**

4. Statements were made to the Council by Ms. Angela Cropper, Executive Secretary, Convention on Biological Diversity, and Mr. Michael Zammit Cutajar, Executive Secretary, Framework Convention on Climate Change. The two representatives responded to questions from Council Members after their statements.

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

5. Dr. Pier Vellinga, Vice-Chair designate of STAP, reported to the Council on the first meeting of the Scientific and Technical Advisory Panel that was held in April 1995. He responded to questions from Council Members after his statement. The Council took note that an agenda item on STAP would be included in the provisional agenda for its July meeting, and for that purpose the Council will have before it the revised terms of reference for STAP, the proposed STAP business plan, and proposed criteria for the selective review of projects by STAP.

## STATEMENT BY THE COMMISSION ON SUSTAINABLE DEVELOPMENT

6. The representative of the Commission on Sustainable Development briefed the Council on the Commission's third session that was held in April 1995.

## DECISIONS OF THE COUNCIL

7. The decisions approved by the Council are appended to this summary. The following are some explanatory points concerning certain decisions:

### *GEF Business Plan FY96-97 and Budget FY96*

8. With regard to the Secretariat's staffing, it was agreed that no new permanent hiring would take place under the FY96 budget until the Council has reviewed and discussed the justification for the Secretariat staffing at its July meeting.
9. With regard to the staffing of the STAP secretariat, the Council agreed that no new permanent hiring would take place under the FY96 budget until the Council has considered and discussed the STAP secretariat in the light of the STAP terms of reference and business plan at its July meeting.

### *Work Program*

10. In the discussion of the section of the work program concerning ozone depletion, it was the understanding that the Russian government would communicate to the Parties of the Montreal Protocol its national program for the gradual phasing out of ozone depleting substances and its plans for dealing with its contributions to the Montreal Protocol Multilateral Fund.

### *Incremental Costs and Financing Modalities*

11. The Council recognized the need for a flexible application of the concept of incremental costs. When considering such issues as domestic costs and benefits, the Council recommended that the notion of "environmental reasonableness" be a guiding principle so as not to penalize progressive environmental action in recipient countries. The Council noted that Part II of the paper on financing modalities required serious consideration by the Council before approval of non-grant approaches to financing of GEF activities. The Council agreed that should an interesting idea for non-grant financing in a GEF activity emerge, that idea could be considered by the Council as to whether it merited further development.

### *GEF Project Cycle*

12. The Council stressed the need to apply the procedures of the project cycle flexibly, recognizing the differences that may exist between projects, focal areas, and regions. The Council agreed that the project cycle should be kept under review, in particular in light of

the information and analysis that will be generated through monitoring and evaluation activities.

13. It was noted that the project cycle document should not recommend formation of national GEF contact groups. The Council, however, noted the importance of country ownership, national consultation and interaction among different actors concerning GEF activities, and noted that the Secretariat should elaborate on ways to assist any recipient country that so requests to strengthen country coordination activities and consultative processes.
14. The Secretariat will need to rethink in the context of the GEF information kit how "casting the net widely" for project concepts will be accomplished in the absence of "contact groups".
15. The Council noted that further work should be undertaken to clarify how the project cycle would be applied in the development and implementation of regional and global projects.
16. The Council agreed that the following steps would be followed with regard to the technical comments submitted by the Members on individual projects approved in the work program:
  - (a) Members would be invited to submit written technical comments on any project approved in the work program to the Secretariat within three weeks of the closure of the Council meeting.
  - (b) The Secretariat was requested to consider, in consultation with the Implementing Agencies, the usefulness of developing a common format for the purpose of submitting technical comments.
  - (c) The Secretariat would prepare and transmit to Council Members a summary of the technical comments within six weeks of the closure of the Council meeting. A Member may inform the Secretariat that its comments are already publicly available or may authorize the Secretariat to distribute its comments to other Members who request them.
  - (d) The Secretariat, after consultation with the Implementing Agency and, if appropriate, the secretariat of the relevant convention, would keep a record of any significant technical comments which it considers should be tracked in the further development of the project proposal.
  - (e) The Implementing Agency will take appropriate action on the comments, recognizing that the Instrument provides that the Implementing Agencies are accountable to the Council for their GEF-financed activities. If any comment leads to an important change in the project proposal, the Implementing Agency will, through the Secretariat, inform the Council.

*Arrangements with Conventions*

17. The GEF and the Framework Convention on Climate Change were invited to consult with a view to avoiding a conflict between their respective meetings in October 1995.

**CLOSURE OF THE MEETING**

18. The meeting was closed by the Chairs on May 5, 1995.

## APPENDIX TO CHAIRS' JOINT SUMMARY

### COUNCIL DECISIONS

#### DECISION ON AGENDA ITEM 5

#### *Monitoring and Evaluation*

1. The Council reviewed document GEF/C.4/6 and agreed that it provided a useful basis for beginning discussions on a monitoring and evaluation system for the GEF. In reviewing the document, the Council agreed on the following principles:
2. The Council recognizes its responsibilities for monitoring and evaluation as defined in paragraphs 20(a), (b) and (c) of the Instrument and the need for an efficient monitoring and evaluation system. The GEF system should include operational monitoring and evaluation, scientific and technical monitoring and evaluation, and the evaluation of strategic and cross-program issues.
3. With regard to operational monitoring and evaluation, the system should be based on the existing monitoring and evaluation systems of the Implementing Agencies, while recognizing the need to harmonize the activities of the agencies for purposes of the GEF.
4. With regard to scientific and technical evaluation, it was recognized that STAP has an important role to play.
5. A Senior Monitoring and Evaluation Coordinator should be nominated by the CEO, after consultation with Council Members, and appointed by the Council. For the purpose of evaluation studies and other tasks requested by the Council, the Senior Monitoring and Evaluation Coordinator will consult with the Secretariat and the Implementing Agencies and will report directly to the Council. He/she would report through the CEO to the Council on monitoring activities related to GEF operations.
6. Concerning next steps, the Council requests the Secretariat, in consultation with the Implementing Agencies, to prepare for consideration by the Council at its October meeting: (1) a systemic framework of monitoring and evaluation; (2) a proposed work program (including for the evaluation of strategic and cross-program issues) and budget ; and (3) a proposal for further work on methodology. This work should consider the incorporation of a project framework approach to facilitate the monitoring and evaluation system. The systemic framework should clarify the roles of the Council, the Secretariat, the Implementing Agencies, STAP and other actors. It should also specify the functions, reporting arrangements and accountability of the Senior Monitoring and Evaluation Coordinator.

7. The Council reviewed document GEF/C.4/4 and approved the GEF business plan FY 96-97 and the FY 96 budget, and the proposed future planning/budget cycle described in paragraph 6 of that document. In approving the budget, the Council agreed to the following understandings:
- (a) The FY97 budget and the FY97-99 business plan would be prepared from a zero-base and on the basis of an analysis of the needs and objectives of the GEF. The Council requests that in presenting the budget an effort be made to more clearly show the linkages between budget categories and outputs.
  - (b) As agreed at its third Council meeting, the Council confirmed that it has mandated the Secretariat to negotiate, within the budget committee established by the Secretariat, a corporate budget and to present it to the Council for approval. The Council requests the CEO to ensure that divergent views within the budget committee are made known to the Council. In preparing the budget, the CEO and the budget committee are requested to carefully consider the detailed comments made by the Council.
  - (c) The Council will undertake a mid-year review of the FY96 budget and consider whether adjustments are needed based on information on actual expenditures and taking into account the recommendations of the Budget Committee.
  - (d) The Secretariat should include in the budget and business plan a detailed staffing plan and justification for the Secretariat budget. With regard to the FY96 budget, the Secretariat was requested to provide justification for its staffing plan at the July Council meeting. The Secretariat was also requested to take into account the Council's concerns regarding its own administrative costs consistent with its responsibility to facilitate effective GEF projects and functions assigned to it by the Council.
  - (e) The Secretariat should provide regular reports (semi-annual) to the Council on its expenditures.
  - (f) The Implementing Agencies should provide explanatory notes and summary tables describing functions and outputs as they relate to their proposed budgets.
  - (g) Considering the fact that STAP is in early stages of its formation and is in the process of preparing its own business plan, the Council requests a report on staffing of the STAP secretariat be presented together with the STAP business plan. The Council also requests UNEP to ensure technical and professional representation in the context of land degradation consistent with the Instrument as it finalizes arrangements for STAP and its secretariat.

- (h) In referring to the scope of GEF and the role of the Secretariat and the Implementing Agencies, the budget documents should conform to relevant formulations in the Instrument.

**DECISION ON AGENDA ITEM 7**

*Work program proposed for approval*

8. The Council reviewed and approved the work program proposed in document GEF/C.4/3. In presenting the work program, the Secretariat informed the Council that the project proposal, "Sustainability of Amazonian Development: Criteria, Policies, Capacity Building", had been withdrawn, at the request of the Secretariat of the Amazon Cooperation Treaty, from consideration at this Council meeting. The Council requests the Implementing Agencies to develop the projects in the approved work program further, taking into account comments raised by the Council and any subsequent technical written comments to be submitted within three weeks of the Council meeting.
9. In reviewing the work program, the Council noted that certain projects raised policy issues that the Council will need to consider further in the context of future work programs. In particular, the Council noted the following:
- (a) CC:TRAIN: this project should be further developed in conjunction with the ongoing work of the Secretariat, the Implementing Agencies, and the Convention's secretariat on a programmatic approach to enabling activities.
  - (b) Caribbean: the Implementing Agency is requested to review further the project's proposed categories of activities with the secretariat of the Climate Change Convention in light of the guidance of the Parties on adaptation.
  - (c) Slash and Burn: that at this time the GEF does not have a policy on research, the project also raises the question of sustainability of funding, and the question of how best to utilize evaluations when approving phased projects.
10. In addition to these three projects, the proposal, "Sudan: Enabling Activity (Capacity Building to Enable Response and Communications to the UN Framework Convention on Climate Change)", raises issues regarding external technical reviews and how they should be reflected in proposals in the work program.
11. The Council requests the Secretariat, in preparing the ozone depletion operational strategy for consideration by the Council at its July 1995 session, to take into account a number of policy elements and concerns expressed by some Members, in particular those related to the guidelines for country eligibility by which Implementing Agencies have been operating in this focal area and which should reflect the provisions of the Instrument properly. In the interim, no more ozone projects will be considered for funding by the Council until the relevant operational strategy is approved.

**DECISION ON AGENDA ITEM 8***Incremental Cost and Financing Modalities*

12. The GEF Council reviewed document GEF/C.2/6/Rev.2 and approved the approach on estimating agreed incremental costs set out in Section I of the document, subject to the comments agreed to during the Council meeting. The Council requests the Secretariat to develop operational guidelines to implement this approach in consultation with the Implementing Agencies. Taking into account guidance from the Conferences of the Parties of the Convention on Biological Diversity and the Framework Convention on Climate Change, the Secretariat and the Implementing Agencies are requested to incorporate the policy and related guidelines into their project preparation, and in particular, in negotiations with recipient countries on the agreed incremental costs of GEF financed activities.
13. The Council also reviewed the proposed financing modalities presented in Section II of the document. The Secretariat is requested to develop further the proposals for additional financing policies, taking into account the comments made during the Council meeting, and to prepare a policy paper for consideration by the Council at its meeting in April 1996. In preparing the paper, the Secretariat is requested to reflect the operational strategy to be adopted by the Council in October 1995.

**DECISION ON AGENDA ITEM 9***GEF Project Cycle*

14. The Council reviewed and approved the GEF project cycle described in document GEF/C.4/7, subject to the revisions agreed and comments made at the Council meeting. The Council agreed that the project cycle should be updated by the Secretariat, as necessary to reflect any additional policies approved by the Council as a result of its future work.
15. The Council requests the Secretariat to explore the formulation of a project framework approach as a means for further streamlining the project cycle, without sacrificing project appraisal and participation. The Council also requests the Secretariat to inform recipient Governments of the GEF project cycle and to invite them to identify national operational focal points. The Council requests the Secretariat, in consultation with the Implementing Agencies, to use the project cycle paper as a basis to prepare and widely distribute a GEF information kit that would inform interested parties how to present project concepts and develop project proposals for GEF financing.

**DECISION ON AGENDA ITEM 10***Arrangements with the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change*

16. The Council reviewed the information on progress that had been made within the context of the Convention on Biological Diversity and the Framework Convention on Climate Change towards developing arrangements with their financial mechanisms. The Council took note of the request of each convention that its secretariat consult with the GEF on the content of



such arrangements. The Council requests the GEF Secretariat to carry out appropriate consultations on its behalf with each of the convention secretariats with a view to simultaneously transmitting to the Parties to the Convention and the GEF Council a jointly-prepared draft text for their consideration. The Council also requests the Secretariat to submit to the Council at its July meeting a report on its consultations with the Secretariat of the Convention on Biological Diversity and the Secretariat of the Framework Convention on Climate Change including the most current elements of the draft arrangements.

**DECISION ON AGENDA ITEM 11 (a) *Draft response to inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the Convention***

17. The Council invites the CEO to continue his consultations with Council Members on this matter in order to obtain further views and to present a draft response based on those consultations to the July Council meeting.

**DECISION ON AGENDA ITEM 11 (b) *Effectiveness of GEF Trust Fund***

18. The Council reviewed document GEF/C.4/10 and congratulated donors for their efforts in making the GEF Trust Fund effective. The Council took note of the implications of such effectiveness. In accordance with paragraph 6 of Annex E of the Instrument, the Council confirmed the grouping of constituencies as communicated to the Secretariat. Recognizing that the number of Participant countries in the GEF has increased significantly since regional consultations were first carried out to identify the constituency groupings before May 15, 1994, that countries are continuing to become Participants in the GEF, and that some Participants are not yet included, or are included on a preliminary basis, in a constituency grouping, the Council decided that a country could choose to change its constituency grouping or a region could choose to revise the groupings allocated to its region. Any change in constituency groupings shall be subject to agreement by the Participants in the constituency or constituencies concerned and to subsequent confirmation by the Council.

**DECISION ON AGENDA ITEM 11 (c) *NGO Consultations***

19. The Council requests the Secretariat to take steps to create a voluntary fund for the purpose of financing two global NGO consultations and, if desirable, other consultations in relation to Council meetings.
20. The Council requests the Secretariat to disburse the amount of \$50,000 from the administrative budget into this voluntary fund which will cover the costs of one global NGO consultation per year.

21. The Council requests the Secretariat to seek additional funds for the purpose of financing a second annual NGO Consultation. The Council requests the Secretariat to actively seek voluntary contributions to the voluntary fund from interested non-governmental sources.
22. The Secretariat will manage the voluntary fund under guidelines to be approved by the Council at its meeting in July 1995. The Council requests the Secretariat to prepare a proposal on these guidelines for Council approval.
23. The voluntary fund will be reviewed at the second regular Council meeting in 1996.