

SUMMARY OF THE 51ST MEETING OF THE GLOBAL ENVIRONMENT FACILITY COUNCIL: 25-27 OCTOBER 2016

The 51st meeting of the Global Environment Facility (GEF) Council convened in Washington, DC, US, from 25-27 October 2016, at World Bank headquarters. Representatives of governments, international organizations and civil society organizations (CSOs) attended the three-day meeting, which also included the 21st 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 24 October.

Naoko Ishii, GEF Chief Executive Officer (CEO) and Chairperson, and Carlos Raul Delgado (Mexico, Council Member for the constituency of Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Venezuela) served as Co-Chairs for the meetings. The Council considered agenda items on, *inter alia*: the sixth replenishment of the GEF Trust Fund (GEF-6) resource availability; seventh replenishment of the GEF Trust Fund (GEF-7); monitoring agency compliance with GEF policies; and the Capacity-Building Initiative for Transparency (CBIT) established in June 2016 in accordance with UN Framework Convention on Climate Change (UNFCCC) Decision 1/CP.21.

The Council discussed, among others, the Annual Portfolio Monitoring Report 2016, the report of the Chairperson of the Scientific and Technical Advisory Panel (STAP), relations with the conventions and other international institutions, and memoranda of understanding (MoU) with the UN Convention to Combat Desertification (UNCCD) and the Minamata Convention on Mercury. Council members heard presentations by the Executive Secretary of the Basel, Rotterdam and Stockholm (BRS) Conventions, and the Principal Coordinator of the Interim Secretariat of the Minamata Convention on Mercury, as well as interventions from representatives of the Secretariats of the Convention on Biological Diversity (CBD), the UNFCCC and the UNCCD, relating to GEF activities in support of their respective multilateral environmental agreements (MEAs).

The Council also set up an *Ad Hoc* Working Group to produce a draft policy on ethics and conflict of interest for Council members, following recommendations by Transparency International (TI).

The LDCF/SCCF Council convened for its 21st meeting on 27 October, and considered a progress report on the funds.

At the conclusion of the meetings, Council members reviewed and approved the Joint Summary of the Co-Chairs for the GEF Council and LDCF/SCCF Council meetings. The GEF Council approved a Work Program comprising 16 project concepts and three programmatic frameworks, with total resources amounting to US\$301.91 million. The programmatic frameworks include the Mediterranean Sea Program on integrated land and coastal

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waste management, and a programmatic approach on global opportunities for long-term development of the artisanal and small scale gold mining sector aiming to eliminate or reduce the use of mercury in gold processing.

This summary highlights the discussions and decisions reached at the 51st meeting of the GEF Council and the 21st 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 in March 1994, where representatives of 73 countries agreed to adopt the GEF Instrument. The GEF organizational structure includes an Assembly that meets every four years, a Council that meets twice a year, a Secretariat and the STAP. The Evaluation Office was created in 2003. The GEF Assembly has convened five times: 1-3 April 1998 in New Delhi, India; 16-18 October 2002 in Beijing, China; 29-30 August 2006 in Cape Town, South Africa; 25-26 May 2010 in Punta del Este, Uruguay; and 28-29 May 2014, in Cancun, Mexico. The organization's main decision-making body is the GEF Council, which is responsible for developing, adopting and evaluating the GEF's operational policies and programmes. It comprises 32 appointed Council members, each representing a constituency group of countries, most of which are composed of either donor or recipient countries. The GEF is funded by donor nations, which commit money every four years through a process called the GEF replenishment. Since its creation in 1991, the GEF Trust Fund has been replenished by US\$2.75 billion (GEF-1), US\$3 billion (GEF-2), US\$3.13 billion (GEF-3), US\$3.13 billion (GEF-4) and US\$4.34 billion (GEF-5). In April 2014, the Trust Fund was replenished by US\$4.43 billion from 31 donor countries (GEF-6). The GEF serves as a financial mechanism for a number of MEAs, including the: CBD, UNFCCC, Stockholm Convention on Persistent Organic Pollutants (POPs), UNCCD and Minamata Convention on Mercury. The GEF also funds activities in the areas of sustainable forest management, international waters and ozone layer depletion. The GEF administers the LDCF and the SCCF, which were established by the UNFCCC, and the Nagoya Protocol Implementation Fund, which was established by the CBD. The GEF Secretariat also hosts the Board Secretariat of the Adaptation Fund established by the parties to the Kyoto Protocol to the UNFCCC. GEF funding has been channeled to recipient countries through "GEF Agencies," which as of October 2016 includes the: UNDP; UN Environment Programme; World Bank; Food and Agriculture Organization of the UN; UNIDO; African Development Bank; Asian Development Bank; European Bank for Reconstruction and Development; Inter-American Development Bank; IFAD; World Wildlife Fund, Inc.; Conservation International;

International Union for Conservation of Nature; Development Bank of Southern Africa; Brazilian Biodiversity Fund; Chinese Foreign Economic Cooperation Office; Development Bank of Latin America; 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, 24 October 2016, in Washington, DC. The CSO consultation included a dialogue with Naoko Ishii, GEF CEO and Chairperson, and discussions on: strengthening CSO engagement in the GEF; the role CSOs play in the GEF through the GEF-CSO Network; and CSOs' vision for GEF-7. For IISD RS' summary of the proceedings, see: <http://www.iisd.ca/gef/council51/24oct.html>.

REPORT OF THE 51ST MEETING OF THE GEF COUNCIL

On Tuesday, 25 October, Naoko Ishii, Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), opened the 51st meeting of the GEF Council. She launched the publication '25 Years of the GEF,' reflecting on the GEF's accomplishments and the way forward. She highlighted: demand from countries to help them incorporate the Sustainable Development Goals (SDGs) and Paris Agreement on climate change into their national development strategies in a holistic fashion; the GEF's efforts to increase country engagement; and the Capacity-Building Initiative for Transparency (CBIT) established by the Council in June 2016, with 20 projects already proposed and several slated to be approved before the 22nd session of the Conference of the Parties (COP 22) to the UN Framework Convention on Climate Change (UNFCCC) in Marrakech, Morocco.

Carlos Raul Delgado (Mexico, Council Member for the constituency of Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Venezuela) was elected Co-Chair for the 51st meeting of the GEF Council.



Naoko Ishii, GEF CEO and Chairperson, presented to the Council a new GEF publication '25 Years of the GEF'



Carlos Raul Delgado, GEF Council Member, Mexico, was elected as Co-Chair for the meeting

The Provisional Agenda (GEF/C.51/02/Rev.01) was adopted without amendment.

ANNUAL PORTFOLIO MONITORING REPORT 2016

On Tuesday, 25 October, Herbert Acquay, GEF Secretariat, introduced *Annual Portfolio Monitoring Report 2016* (APMR) (GEF/C.51/03), explaining that: chapter one, mirroring what was previously called the Annual Monitoring Review (AMR), discusses the performance of projects; chapter two addresses the Non-Grant Instruments (NGIs) Pilot; chapter three provides an update on the GEF Small Grants Programme (SGP) implemented by the UN Development Programme (UNDP); and the annexes include an update on the GEF Corporate Scorecard.

Council members welcomed the report and the Scorecard. Several members asked for an online version of the Scorecard and offered suggestions for improving it by, *inter alia*: preparing it together with the Independent Evaluation Office (IEO); including indicators for monitoring and evaluation (M&E); developing indicators of the degree of innovation and risk involved across the portfolios; and developing sustainability indicators.

Many lauded the increased ratio of co-financing, but requested more details on who is co-financing with the GEF and an analysis of whether GEF participation was catalytic in prompting co-financing.

One member urged improving co-financing rates in certain areas, such as biodiversity and chemicals.

Several Council members noted inconsistencies in the reporting of ratings of projects, and urged for development of a harmonized rating and reporting methodology between the IEO and GEF implementing agencies.

Council members also: requested clarifications on reflows and country utilization rates for the System for Transparent Allocation of Resources (STAR); welcomed the improved rate of gender analysis, stressing the need to extend it to all projects and beyond the project development stage; urged full support for the SGP; and, noting that the NGI Pilot is nearly fully subscribed, urged contemplating lessons learned for building on the Pilot in GEF-7.

Noting the decline in the number of civil society organizations (CSOs) and indigenous peoples involved in projects, the GEF-CSO Network called for greater involvement of CSOs and indigenous peoples in all stages of the GEF project cycle.



Herbert Acquay, GEF Secretariat



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

Decision: The Council welcomed the APMR's overall finding that the GEF portfolio under implementation in the fiscal year (FY) 2016 performed satisfactorily across all focal areas, as well as the update of the Scorecard.

REPORT OF THE CHAIRPERSON OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL

On Tuesday, 25 October, Rosina Bierbaum, Chair, Scientific and Technical Advisory Panel (STAP), presented the *Report of the Chairperson of the Scientific and Technical Advisory Panel* (GEF/STAP/C.51/Inf.01), stating that STAP aims to help the GEF ensure it creates innovation and transformation by “trying to get away from the thinking that created problems in the first place.”

She presented the report *Governance Challenges, Gaps and Management Opportunities in Areas Beyond National Jurisdiction* (GEF/STAP/C.51/Inf.02) and suggested that the GEF consider emerging issues relating to: enhancing knowledge; supporting high-impact demonstration projects; supporting areas-based planning and management tools; building technical capacity in small island developing States (SIDS) and least developed countries (LDCs); and supporting countries in implementing their existing obligations under the UN Convention of the Law of the Sea (UNCLOS).

She outlined the report *Monitoring and Evaluation of Climate Change Adaptation* (GEF/STAP/C.51/Inf.02) and recommended that the GEF: “start simply, learn by doing, and plan for change”; allocate sufficient resources for M&E; explore synergies between adaptation M&E and development M&E; focus on long-term outcomes; and engage in extensive stakeholder engagement from the concept through design implementation and evaluation.

On the GEF Work Program, she noted that STAP is pleased with the overall quality of projects in this Work Program, especially regarding investments in multi-focal areas.

She also outlined work on: a practical guidance on GEF projects related to protected areas (PAs) and their socioeconomic impact; a practitioner guide on knowledge management (KM); co-leading development of a scientific conceptual framework on understanding land degradation neutrality; and an online mercury platform for sharing data and knowledge.

With respect to future work in the run-up to the sixth GEF Assembly in 2018, she noted that STAP will focus on investigating: opportunities for the GEF in the new policy

landscape, especially related to the SDGs; ways to create integration and co-benefits in practice in the context of the GEF Conventions; and emerging issues where STAP can assist the GEF. She emphasized the need to map how the GEF may or may not “interact” with the SDGs and the goals of GEF Conventions.

In the ensuing discussions, Council members highlighted, *inter alia*: the need to separate the environment from politics in relation to, and recognize existing regional efforts on, ABNJ; the need for the GEF to consider sustainable consumption and production; ways in which KM can help understand overall progress towards the SDGs; and the need for STAP to inform the Intergovernmental Negotiating Committee of the Minamata Convention regarding the online mercury platform.

One Council member cautioned against the GEF specifically funding research activities and supporting countries in enhancing their abilities to comply with the UNCLOS due to lack of relevance to the GEF Conventions.

UPDATE ON GEF-6 RESOURCE AVAILABILITY

Herbert Acquay, GEF Secretariat, introduced the *Update on GEF-6 Resource Availability* (GEF/C.51/04). He noted a projected shortfall of US\$616.5 million due to exchange rate movements, and anticipated reflows of US\$44.5 million due to the implementation of the one-time cancellation of nine overdue projects, together resulting in the projected shortfall of US\$572 million, equivalent to 13% of the original GEF-6 envelope of US\$4.434 billion. Acquay said programming will be kept within the revised projected envelope, while aiming to ensure that: country STAR allocations for SIDS and LDCs and focal area set-asides remain unchanged; focal areas be subject to the same proportional reduction reflecting the original GEF-6 balance; and country allocations other than those for SIDS and LDCs be subject to the same proportional reductions.

Council members expressed concern over the shortfall.

Many supported unchanged allocations for LDCs and SIDS, with one Council member stating that they should also participate in equitable burden sharing.

Many urged timely discussion of any potential shortfalls going forward.

Several highlighted the need to draw lessons for GEF-7 from the GEF-5 and GEF-6 shortfalls, and exercise caution while committing resources in future replenishment cycles.

Council members also highlighted, among others, the importance of fair burden sharing and the need to maintain STAR allocations.

To address potential future shortfalls, one Council member proposed using Special Drawing Rights (SDRs). Responding for the Trustee, Praveen Prasad Desabatla, World Bank, said that, since the SDRs' value is based on currencies, it is also subject to fluctuations.

Gustavo Fonseca, GEF Secretariat, assured Council members that the GEF Secretariat will continue trying to balance focal area allocations, while maintaining geographical representation.

GEF CEO and Chairperson Naoko Ishii urged Council members to accept the proposed decision as it reflects the most reasonable solution for equitable burden sharing.



Gustavo Fonseca, GEF Secretariat

Decision: The Council agreed that, as a contingency measure to effectively manage the projected shortfall of the GEF-6 resource envelope, the Secretariat undertake programming aiming to maintain the balance among the original allocations in the GEF-6 replenishment decision, assisting LDCs and SIDS in accessing resources, and supporting core obligations to the conventions for which the GEF is the financial mechanism.

WORK PROGRAM

On Tuesday, 25 October, Gustavo Fonseca, GEF Secretariat, introduced the *Work Program for GEF Trust Fund* (GEF/C.51/05), which included 19 projects and programs proposed in accordance with the GEF 2020 strategy and the GEF-6 Programming Directions framework, with an emphasis on biodiversity, international waters, chemicals and waste, and enhanced funding for SIDS. He noted the total GEF resources proposed would amount to US\$279.7 million.

In response to Council member interventions, the GEF Secretariat explained that the draft chemicals program for Africa still has a few issues to resolve but should be ready for approval at the 52nd Council meeting; agreed to consult Council members about items to include in the KM component of the proposed project on artisanal and small-scale gold mining, and explained that the large private sector grant component in the project comes from a gold company interested in supporting mercury-free gold sources; assured that the Nagoya Protocol's protections for traditional knowledge (TK) would be reflected in two biodiversity projects; and agreed that future GEF-supported climate projects should have to indicate how the project contributes to Nationally Determined Contributions (NDCs) under the Paris Agreement on climate change.

After several expressions of concern about the lagging international waters focal area, the Secretariat noted that, because of its complexity, this focal area is slow to ramp up, but very good projects are in the pipeline.

Decision: The Council approved the Work Program comprising 16 project concepts and three programmatic frameworks, subject to comments made during the Council meeting and any additional comments that may be submitted in

writing to the GEF Secretariat by 9 November 2016. The total resources approved in this Work Program amount to US\$301.91 million, which include GEF project financing and Agency fees.

The Work Program includes three programmatic frameworks: the Mediterranean Sea Program (MedProgram) on integrated land and coastal waste management; Global Opportunities for Long-term Development (GOLD) of the Artisanal and Small Scale Gold Mining (ASGM) Sector to help artisanal and small scale miners access resources for technologies and technical assistance that will help eliminate or reduce the use of mercury in gold processing; and China's Protected Area System Reform (C-PAR).

The Work Program contains one NGI Project committing non-grant resources to support the issuance of Blue Bonds in Seychelles to attract private sector investment, with proceeds to be used to strengthen management of fisheries and coastal conservation.

The Work Program approves six multi-focal area (MFA) projects, including: US\$70 million for the SGP; restoring degraded forest landscapes and promoting community-based, sustainable and integrated natural resource management in Eritrea; integrated ecosystem management program for sustainable human development in Mauritania; sustainable productive landscapes in Mexico; revitalizing oasis agro-ecosystems through a sustainable, integrated and landscape approach in Morocco; and integrated climate resilience and sustainable livelihoods in the Mekong Delta in Viet Nam.

Approved standalone biodiversity projects include one for sustainable financing of Papua New Guinea's PA Network and another to develop value chains of medicinal plant products in Brazil.

International waters projects include one on transboundary cooperation and integrated natural resources management in the Songwe River Basin in Malawi and Tanzania, and another on sustainable management of living marine resources shared by Chile and Peru.

The approved land degradation project seeks to ensure land degradation neutrality of mountain landscapes in Lebanon.



L-R: Yoko Watanabe, GEF Secretariat; Naoko Ishii, GEF CEO and Chairperson, with Adriana Dinu, Timothy Scott and Midori Paxton, UNDP, presenting 'Silent Roar: UNDP and GEF in the Snow Leopard Landscape'



Claus Pram Astrup, GEF Secretariat

SEVENTH REPLENISHMENT OF THE GEF TRUST FUND

Claus Pram Astrup, GEF Secretariat, presented the *Seventh Replenishment of the GEF Trust Fund* (GEF/C.51/06), which proposes the initiation process for GEF-7. Describing this as the first step in organizing GEF-7, he explained that, once the decision has been made, the GEF will work with the Trustee to plan GEF-7 in more detail.

Many Council members called for the STAR to be continued in GEF-7 due to its proven effectiveness. One Council member emphasized that the NGI Pilot should remain in the GEF-7 project stage and graduate to program level once it has shown more results.

Another highlighted countries' financial constraints, along with increasing demand for financial resources, as some of the challenges for GEF-7.

Several Council members requested more information on how GEF-7 discussions will take place. The GEF-CSO Network recommended that GEF-7 allocate more funds to the SGP and other dedicated mechanisms that support CSOs and indigenous peoples, and that CSOs be included in the entire GEF-7 planning process.

Decision: The Council requested the Trustee, in cooperation with the GEF Secretariat, to initiate the discussions on GEF-7.

MONITORING AGENCY COMPLIANCE WITH GEF POLICIES

On Wednesday, 26 October, Herbert Achay, GEF Secretariat, presented *Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender and Fiduciary Standards: Implementation Modalities* (GEF/C.51/08), explaining it presents implementation modalities for Agencies' self-assessment and reporting on their compliance with GEF policies on environmental and social safeguards, gender and fiduciary standards, and offers a risk-based, third-party review of Agency compliance. He emphasized that the proposal seeks to address the need for monitoring compliance while minimizing the associated burden on Agencies.



Herbert Acquay and Roland Sundstrom, GEF Secretariat

Several Council members suggested clarifying what would trigger third-party review, with some members suggesting that the decision to initiate third-party review be placed in the hands of the GEF Secretariat. Some Council members requested further clarification about the risk-based approach for deciding on the need for third-party review, pointing out that the language was clearer in the discussion portion of the document than in Annex I containing the proposed policy.

Some Council members questioned whether an Agency should be able to continue seeking GEF financing if found in noncompliance. Roland Sundstrom, GEF Secretariat, pointed out that, under the proposed policy, any Agency found in noncompliance must submit an action plan to achieve compliance, which must be approved by the Council.

The GEF-CSO Network suggested the establishment of a periodic re-accreditation process for Agencies, and called for CSOs to be given a role in monitoring compliance with safeguards and standards.

The Secretariat responded that it would take these comments into account and produce a revised document by the end of Wednesday so that the Council could take a decision on Thursday.

On Thursday afternoon, GEF CEO and Chairperson Ishii introduced the revised document (GEF/C.51/08/Rev.01), noting the policy contained in the annex had been amended to reflect Council members' comments.

At the request of a Council member, the annex was further amended to reflect that: the Secretariat will compile Agencies' certifications and supporting information for review and decision by the Council; the Secretariat is to submit key findings and recommendations of third-party reviews of Agencies' compliance, along with information regarding risk determinations that triggered the reviews, to the Council for review and decision; and it would be up to the Council to decide to restrict an Agency's access to GEF funding when it may involve application policy standards for which the Agency has not yet achieved compliance.

A Council member requested clarification about what would happen in compliance cases involving the GEF environment and gender standards, which are based on World Bank policies that were recently updated. Sundstrom explained it was expected that, when such "underlying policies" are updated, the GEF Council

will also consider updating their own policies. He said that, as part of the Sixth Overall Performance Study of the GEF (OPS6), the Secretariat is already reviewing the current environmental compliance standards and may suggest changes to the Council during its 52nd meeting in May 2017.

Decision: The Council approved the proposed Policy on Monitoring Agencies' Compliance contained in Annex I to GEF/C.51/08/Rev.01, as amended verbally by the Council. The Council further agreed to review the Policy following completion of the first round of Agencies' self-assessments, third-party reviews and reporting, and in time to inform implementation of the subsequent round.

SEMI-ANNUAL EVALUATION REPORT OCTOBER 2016 AND MANAGEMENT RESPONSE

On Wednesday, 26 October, Juha Uitto, Director, IEO, presented the *Semi-Annual Evaluation Report October 2016* (GEF/ME/C.51/01), which summarizes work done since the last Council meeting in June 2016. He outlined two completed evaluation reports: *International Waters Focal Area Study* (GEF/ME/C.51/Inf.01) and *Value for Money Analysis for the Land Degradation Projects of the GEF* (GEF/ME/C.51/Inf.02). He noted that evaluations will be released to the Council as they are finalized, with the aim to have early findings of all current studies by the first GEF-7 planning meeting scheduled for spring 2017.

On the international waters study, Uitto said the focal area had contributed to positive results in many areas, but noted concerns over the decline in overall funding, and the dominance of marine and ocean projects over those involving freshwater. He suggested, *inter alia*: inviting relevant Conventions to share priorities ahead of GEF-7 to advance cross-cutting initiatives; not adding new themes to the focal area if the allocation is not increased; and allocating more time and investment to build capacity on gap priorities, especially glaciers.

On the *land degradation study*, Geeta Batra, Chief Evaluation Officer, IEO, said it seeks to "push the frontiers" on evaluation methods by quantifying the amount of carbon sequestered and its financial value. She highlighted that the evaluation found a two-to-one return on investments in carbon sequestration from 450 GEF project locations. She suggested that in the future the GEF: use a learning-based approach as an initial screening tool for project planning; and collect exact geographical information for GEF land degradation activities on an ongoing basis.

Uitto outlined three ongoing evaluations to be completed by the end of the year.



Geeta Batra and Juha Uitto, IEO

On 'GEF Engagement with the Private Sector,' he suggested that the GEF support innovative financing instruments and policy change, noting that more efficient operations are needed for the GEF to be a credible private sector partner.

He provided preliminary portfolio evaluation results on the 'Chemicals and Waste Focal Area Study,' explaining that projects largely reflect the guidance of the GEF Conventions.

On 'GEF Role in Supporting Legal and Regulatory Reform in Countries,' he stated that early evidence shows that the GEF is enabling activities for reform but that: at times agencies and partners are overly optimistic about the pace of reform; and in some countries a lot can be done within existing regulations, while in others it is necessary to strengthen the institutional machinery.

Uitto noted work on ongoing evaluations, including: evaluation of programmatic approaches in the GEF and the integrated approach programs; SCCF program evaluation; focal area studies; and OPS6 sub-studies on safeguards, performance and institutional issues.

He also provided an update on other initiatives related to knowledge sharing and capacity building, noting partnerships with other evaluation organizations, such the UN Evaluation Group and the Climate Investment Funds.

In the ensuing discussion, several Council members encouraged the IEO to share actionable suggestions as soon as possible, even before the evaluations are finalized. The GEF-CSO Network cautioned against overemphasizing "private sector profits over social and environmental gains."

Responding to a question regarding gender evaluation, Uitto assured Council members that the IEO will not only look into gender in OPS6, but that all IEO's evaluations have a gender evaluation component.

Responding to a question on multiple benefits evaluations, Batra said the IEO is developing methods that can capture benefits beyond carbon sequestration.

Claude Gascon and Gustavo Fonseca, GEF Secretariat, presented the *Management Response to the Semi-Annual Evaluation Report* (GEF/ME/C.51/02). Gascon noted that projects in the pipeline may be able to improve the balance between marine and freshwater projects in the international waters focal area.

In response to a question regarding private sector involvement in GEF-7, GEF CEO and Chairperson Ishii said the Secretariat will prepare a proposal on how to involve the private sector in GEF-7 discussions.

Decision: The Council took note of the findings and conclusions of the completed studies, and of the ongoing evaluations being carried out in preparation for OPS6.



María Szephegyi, Vida Silvestre Uruguay, on behalf of the GEF-CSO Network

RELATIONS WITH THE CONVENTIONS AND OTHER INTERNATIONAL INSTITUTIONS

On Wednesday, 26 October, Co-Chair Delgado invited Rolph Payet, Executive Secretary, Basel, Rotterdam and Stockholm (BRS) Conventions, and Jacob Duer, Principal Coordinator, Interim Secretariat of the Minamata Convention, to address the Council.

Payet discussed preparations for the BRS “triple COPs” to be held in Geneva, Switzerland, from 24 April to 5 May 2017,



Rolph Payet, Executive Secretary, BRS Conventions

which will consider three documents of relevance to the GEF regarding: the fourth review of the financial mechanism of the Stockholm Convention (GEF); the effectiveness of the Stockholm Convention; and an examination of the implementation of the BRS Conventions in a synergistic manner, especially at the national level. Payet urged the GEF to participate in side events that would showcase the results of

GEF-funded projects and explore how GEF funding can further strengthen BRS implementation and have greater impact at the local level. He expressed appreciation for the leverage GEF funding has brought to forming partnerships with industry, which, he said, is particularly important in chemicals and waste issues.

Duer reported that 32 countries have deposited instruments of ratification of the Minamata Convention on Mercury and



Jacob Duer, Principal Coordinator, Interim Secretariat of the Minamata Convention

another six will do so shortly, and that the Convention is expected to enter into force during the first half of 2017. He informed the Council that COP 1 is slated for the last week of September 2017 in Geneva. He attributed the pace of ratification in part to GEF support for preparing initial mercury assessments for 130 countries and for the preparation of national action plans on ASGM for 28 countries. Welcoming

the approval by the Council of the GOLD project, Duer hoped some GEF-funded projects would also address other mercury emissions, such as air emissions from coal-fired power plants. He said the Convention’s Interim Secretariat would be interested in developing more integrated projects that involve several chemicals MEAs.

In response to questions from Council members, Duer said: there would be regional preparatory meetings for COP 1 during July 2017; the Interim Secretariat would continue working with the GEF on regional ratification support workshops and with countries on guidance for ASGM and for mercury-contaminated sites; and the guidance for the GEF expected to be adopted at COP 1 will provide some indication of priorities for projects.

Co-Chair Delgado introduced *Relations with the Conventions and Other International Institutions* (GEF/C.51/07/Rev.01). Several Council members urged that the next edition of the report include more a substantive discussion of issues emerging from the GEF Secretariat’s interactions with the Convention secretariats, including details on the “retreats” taken with the secretariats. Gustavo Fonseca, GEF Secretariat, said the reports of the retreats would be posted online and promised to include more discussion in the next report.

One Council member urged the GEF to become more involved in the work of the UN Forum on Forests (UNFF). Another suggested discussing with Convention secretariats linkages with the SDGs and how they should be reflected in GEF-7. A third urged discussion on division of labor between the GEF and the Green Climate Fund (GCF) on climate change matters.

In response to questions posed by Council members, the GEF Secretariat reported on events it would sponsor and participate in at the upcoming UNFCCC and CBD COPs. The UNFCCC Secretariat reported that the first session of the COP serving as the Meeting of the Parties to the Paris Agreement (CMA 1) will be held in Marrakech, and that it is expected to adopt guidance to the GEF on priorities for Paris Agreement implementation. The UNFCCC secretariat also reported that COP 22 will address the sixth review of the financial mechanism of the Convention, and discuss progress on the CBIT.

Decision: The Council requested the GEF network to continue to work with recipient countries to reflect the guidance and national priorities in their GEF programming and activities.

MEMORANDA OF UNDERSTANDING WITH UNCCD AND THE MINAMATA CONVENTION ON MERCURY

On Wednesday, 26 October, Co-Chair Delgado introduced *Draft Amendments to the Memorandum of Understanding between the Conference of the Parties to the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly Africa and the Council of the Global Environment Facility* (GEF/C.51/10) and the *Draft Memorandum of Understanding between the Conference of the Parties to the Minamata Convention on Mercury and the Council of the Global Environment Facility* (GEF/C.51/11).

Several Council members indicated that they would be submitting comments and suggesting changes to the text of the draft MOUs during the proposed comment period.

In response to inquiries from two members about how the Council will be apprised of any further modifications proposed before the MOUs are finalized, the GEF Secretariat explained



L-R: William Ehlers, GEF Council Secretary; Co-Chair Carlos Raul Delgado, Mexico; and Naoko Ishii, GEF CEO and Chairperson

that it would circulate to all Council members any comments, along with proposed revisions to text of the memoranda, prior to seeking final Council approval of the MOUs.

One Council member questioned whether the language of the proposed revision to the MOU with the UNCCD properly reflected the language of the Convention. The UNCCD Secretariat representative pointed out that the draft MOU had been approved by the UNCCD COP Bureau, including the Bureau member from the GEF Council member's region. The Council member responded that it was the responsibility of the GEF Council to review the MOU from the point of view of the GEF.

Decisions: The Council invited members to submit, by 31 January 2017, to the GEF Secretariat any comments on the draft Amendments to the UNCCD MOU, and requested the Secretariat to reflect Members' views in its collaboration with the UNCCD to revise the draft amendments, and requested the GEF CEO to submit the document jointly with UNCCD Executive Secretary to the next UNCCD COP for approval.

Regarding the Minamata Convention MOU, the Council invited Members to submit, by 31 January 2017, to the GEF Secretariat any comments on the draft MOU. It requested the GEF Secretariat to reflect Council Members' views in its collaboration with the Interim Secretariat of the Minamata Convention to revise the draft MOU, which will be presented to COP 1 of the Minamata Convention.

UPDATE ON THE CAPACITY-BUILDING INITIATIVE FOR TRANSPARENCY

Gustavo Fonseca, GEF Secretariat, presented the *Update on the Capacity-building Initiative for Transparency* (GEF/C.51/Inf.06), which provides updates on activities since the last Council meeting held in June 2016.

Council members commended the GEF Secretariat and the Trustee for their efficiency in establishing the CBIT. Many members highlighted existing commitments or intentions to commit financial resources to the Initiative. Several members welcomed efforts by the GEF to collaborate with other platforms, such as the Initiative for Climate Action Transparency and the International Partnership on Mitigation and Monitoring, Reporting and Verification (MRV), with one Council member encouraging intensification of such efforts in the future.



Chizuru Aoki, GEF Secretariat

Several members sought clarification on the criteria for funding projects under the CBIT. One asked for a plan of how the GEF will distribute the funding. Another emphasized the need to act in accordance with the UNFCCC decision establishing the CBIT.

Chizuru Aoki, GEF Secretariat, outlined efforts to highlight at UNFCCC COP 22 progress under the CBIT, explaining there will be a session at COP 22 on enhancing ambition during the high-level segment as well as a press conference where countries can present pledges or intentions to pledge to the CBIT. She also noted efforts by the GEF Secretariat to specify activities that could be supported by the CBIT.

RECOMMENDATIONS OF THE WORKING GROUP ON PUBLIC INVOLVEMENT

On Wednesday, 26 October, Herbert Acquay, GEF Secretariat, introduced the *Recommendations of the Working Group on Public Involvement* (GEF/C.51/09), noting that the document provides an overview of the evolution of GEF policy on stakeholder engagement and outlines the Working Group's recommendations to the Council and the wider Partnership, including that an updated policy on stakeholder engagement be developed. He said the *Review of GEF Agencies' Policies, Procedures and Guidelines on Stakeholder Engagement* (GEF/C.51/Inf.05) contains a detailed analysis of the Working Group's recommendations.

Council members welcomed the initiative, with one Council member urging the GEF Secretariat to "think ambitiously about the scope of the updated policy." Some cautioned against being too prescriptive, favoring a differentiated approach.

Several called for greater involvement of the private sector.

Describing access to information and public participation as human rights, one Council member hoped for more synergies between GEF work on climate change, the environment and human rights.

The GEF-CSO Network welcomed the Working Group's work and called for, among others, a procedure to address concerns, a formal appeals procedure and a whistleblower option for all stakeholders.

Following revisions by the GEF Secretariat to remove prescriptive language, the decision was adopted on Thursday afternoon.

Decision: The Council welcomed the report (GEF/C.51/09/Rev.1) and requested the GEF Secretariat to present an updated policy on stakeholder engagement and access to information for consideration at its 53rd meeting in December 2017.

OTHER BUSINESS

On Thursday, 27 October, Naoko Ishii, GEF CEO and Chairperson, introduced the Transparency International (TI) report *Protecting Climate Finance: Progress Update on the Global Environment Facility's Anti-Corruption Policies and Practices* shared with the Council on 20 October 2016. The report notes that the GEF Secretariat's transparency rating is high but that there is room for improvement, and recommended, *inter alia*: strengthening the policy framework on information disclosure; improving access to GEF and Agency policies and procedures, and statistics on complaints; creating an ethics and conflict of interest policy; and having observer participation in Council meetings.

Co-Chair Delgado explained that, during Council deliberations in closed executive session during the Thursday morning meeting of the Selection and Review Committee, the Council deliberated on the TI report and decided to draft a proposal to create a working group to produce a draft policy on ethics and conflict of interest for Council members.

During the ensuing discussions, a Council member noted the expectation that the Working Group on Public Involvement consider other recommendations made by the TI report, such as access to information disclosure, whistleblower protection and observer participation in Council meetings.

Decision: The GEF Council decided to set up an *Ad Hoc* Working Group of Interested Council Members to produce a draft Policy on Ethics and Conflict of Interest for Council Members, Alternates and Advisers and to present it for Council decision at its next meeting.

On the dates of future meetings, William Ehlers, GEF Secretariat, noted that, while normally the Council would decide on the dates of its first meeting in 2018, given that the GEF Assembly will convene in 2018 and the Council will meet immediately prior to the Assembly, the exact dates for the spring 2018 Council meeting will be set once the Assembly dates are decided.

REPORT OF THE LEAST DEVELOPED COUNTRIES FUND (LDCF) AND SPECIAL CLIMATE CHANGE FUND (SCCF) COUNCIL MEETING

On Thursday, 27 October, Naoko Ishii, GEF CEO and Chairperson, opened the 21st meeting of the LDCF/SCCF Council by noting that UNFCCC COP 21 saw a US\$252 million pledging event, including the first pledge by a subnational entity, Quebec, and reaffirmation of the role of the LDCF and SCCF in the climate finance architecture. She noted, however, that only about one-third of the amount pledged has materialized, leaving 33 projects for 27 LDCs backed up in the pipeline.

Tosi Mpanu Mpanu, LDC Chair in the UNFCCC process, expressed concern over the lack of funds for projects that have been technically cleared by the GEF Secretariat. He called for clearing the backlog and encouraged the use of innovative sources of funding. He highlighted LDCs' request to the GEF Council to adopt a new program priority for the LDCF to strengthen national institutional capacity to identify funding sources and support formulating project proposals.

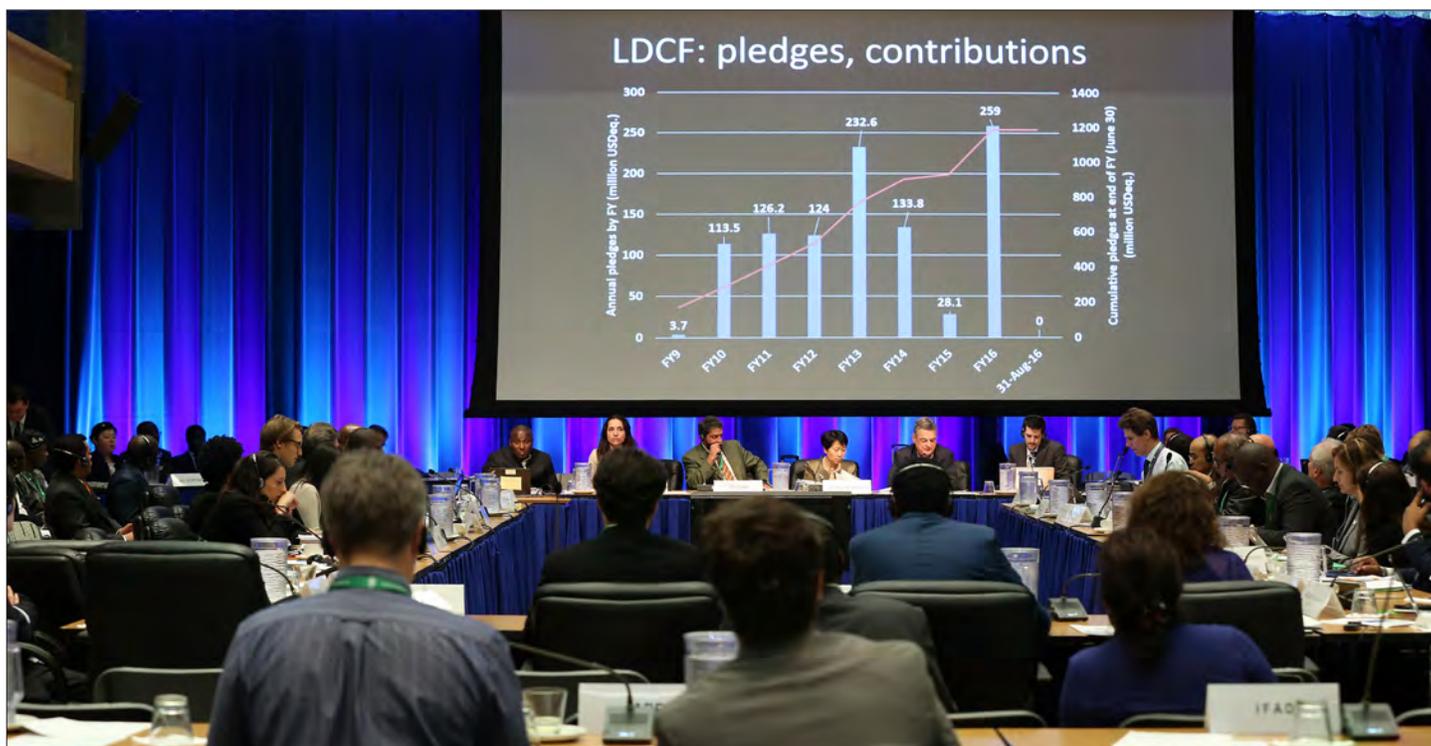
The provisional agenda (GEF/LDCF.SCCF.21/02) was adopted without amendment.

PROGRESS REPORT ON THE LDCF AND SCCF

On Thursday, 27 October, Gustavo Fonseca, GEF Secretariat, introduced the *Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund* (GEF/LDCF.SCCF.21/03), which updated the Council on progress made since their initiation, especially in the period from May to September 2016. He stated that no additional pledges were



GEF Council approved the decision on developing a policy on ethics and conflict of interest for Council members



Participants heard progress report on the LDCF

made to the LDCF or SCCF during the period and that, due to insufficient funds in the SCCF, no new projects are presented for approval by the LDCF/SCCF Council at this meeting. He noted that 86% of the US\$1.02 billion pledged to the LDCF had been paid and that demand for LDCF resources continues to exceed funds available for new approvals.

He stated that 123 LDCF and 48 SCCF projects endorsed or approved by the CEO aim to reduce the vulnerability of 19 million and 5.3 million people, respectively.

During the ensuing discussions, Council members welcomed the report. One emphasized the contribution of the Government of Quebec to the LDCF, along with its significance as the first contribution by a subnational government.

Belgium announced its decision to support the LDCF with 8 million euros annually in 2016, 2017 and 2018, totaling 24 million euros.

In response to questions from Council members, Fonseca emphasized that, during the CEO endorsement phase, the GEF Secretariat ensures the pipeline projects are “fresh” and up-to-date with new GEF policies, and that project design reflects the NDCs.

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

JOINT SUMMARY OF THE CHAIRS AND CLOSING

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

their discussions and adopted both the Joint Summary of the Chairs for the 51st meeting of the GEF Council and 21st meeting of the LDCF/SCCF Council.

Naoko Ishii, GEF CEO and Chairperson, thanked Council members for their invitation to the GEF to be “bold and innovative,” which she said would be useful for GEF-7. Ishii closed the meeting at 1:48 p.m.

UPCOMING MEETINGS

UNFCCC COP 22: During the 22nd session of the Conference of the Parties (COP 22) to the UNFCCC, countries will meet to address, *inter alia*, the entry into force of the Paris Agreement. **dates:** 7-18 November 2016 **location:** Marrakesh, Morocco **contact:** UNFCCC Secretariat **phone:** +49-228 815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** <http://unfccc.int/>

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

15th Meeting of the Board of the Green Climate Fund (GCF): The Board governs and supervises the GCF based on guidance from the UNFCCC COP, including on matters relating to policies, programme priorities and eligibility criteria and matters related thereto. **dates:** 13-15 December 2016 **location:** Apia, Samoa **contact:** GCF Secretariat **phone:** +82 32 458 6059 **fax:** +82-32-458-6094 **e-mail:** secretariat@gcfund.org **www:** <https://www.greenclimate.fund/>

1st meeting of the Intersessional Process for Considering SAICM and the Sound Management of Chemicals and Waste Beyond 2020: Through its Resolution IV/4, the fourth session of the International Conference on Chemicals Management (ICCM 4) held in September 2015 decided to initiate an intersessional process to prepare recommendations regarding the Strategic Approach to International Chemicals Management (SAICM) and the sound management of chemicals and waste beyond 2020 for consideration by ICCM5, expected to be held in 2020. **dates:** 7-9 February 2017 **location:** Brasilia, Brazil **contact:** SAICM Secretariat **phone:** +4122-917-8532 **fax:** +4122-797-3460 **e-mail:** saicm.chemicals@unep.org **www:** <http://www.saicm.org/>

29th Meeting of the Adaptation Fund Board (AFB): The AFB supervises and manages the Adaptation Fund under the authority and guidance of the countries that are parties to the Kyoto Protocol. **dates:** 14-17 March 2017 **location:** Bonn, Germany **contact:** AFB Secretariat **phone:** +1-202-458-7347 **fax:** +1-202-522-3240 **www:** https://www.adaptation-fund.org/events/29th-adaptation-fund-board-meeting/?instance_id=6

Basel Convention COP 13, Rotterdam Convention COP 8 and Stockholm Convention COP 8: The 13th Meeting of the Conference of the Parties (COP 13) of the Basel Convention, the eighth Meeting of the COP (COP 8) of the Rotterdam Convention and the eighth Meeting of the COP (COP 8) of the Stockholm Convention will convene back-to-back to discuss issues for each Convention and joint issues shared among the Conventions. **dates:** 24 April - 5 May 2017 **location:** Geneva, Switzerland **contact:** BRS Secretariat **phone:** +41-22-917-8729 **fax:** +41-22-917-8098 **e-mail:** brs@unep.org **www:** <http://synergies.pops.int/>

52nd Meeting of the GEF Council: This meeting will be preceded, on 22 May 2017, by a consultation with CSOs at the same location. On 25 May 2017, the Council will convene



Participants at the 51st meeting of the GEF Council

as the 22nd meeting of the LDCF and SCCF, also at the same location. **dates:** 23-25 May 2017 **location:** Washington, DC, US **contact:** GEF Secretariat **phone:** +1-202-473-0508 **fax:** +1-202-522-3240 **e-mail:** secretariat@thegef.org **www:** http://www.thegef.org/gef/council_meetings

GLOSSARY

APMR	Annual Portfolio Monitoring Review
ASGM	Artisanal and Small Scale Gold Mining
BRS	Basel, Rotterdam and Stockholm Conventions
CBD	Convention on Biological Diversity
CBIT	Capacity-building Initiative for Transparency
CEO	Chief Executive Officer
CMA 1	first session of the COP serving as the Meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CSO	Civil Society Organization
GCF	Green Climate Fund
GEF	Global Environment Facility
GEF-6	sixth replenishment of the GEF Trust Fund
GEF-7	seventh replenishment of the GEF Trust Fund
GOLD	Global Opportunities for Long-term Development
IEO	Independent Evaluation Office
KM	knowledge management
LDCs	least developed countries
LDCF	Least Developed Countries Fund
MEA	multilateral environmental agreement
M&E	monitoring and evaluation
MoU	memorandum of understanding
NDCs	Nationally Determined Contributions
NGI	non-grant instruments
OPS6	Sixth Overall Performance Study of the GEF
SCCF	Special Climate Change Fund
SDGs	Sustainable Development Goals
SDR	Special Drawing Rights
SGP	Small Grants Programme
SIDS	small island developing States
STAP	Scientific and Technical Advisory Panel
STAR	System for Transparent Resource Allocation
TI	Transparency International
UNCCD	UN Convention to Combat Desertification
UNDP	UN Development Programme
UNCLOS	UN Convention of the Law of the Sea
UNEP	UN Environment Programme
UNFCCC	UN Framework Convention on Climate Change