



GEF/C.67/04  
May 24, 2024

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67<sup>th</sup> GEF Council Meeting  
June 17-18, 2024  
Washington D.C., USA

Agenda Item 04

## **GEF BUSINESS PLAN AND CORPORATE BUDGET FOR FY25**

### **Recommended Council Decision**

The Council, having considered document GEF/C.67/04, *GEF Business Plan and Corporate Budget for FY25*, takes note of the business plan, and approves an FY25 corporate budget from the GEF Trust Fund of US\$42.994 million, comprised of:

- (a) US\$35.932 million for the GEF Secretariat, of which US\$2 million will be paid from GEF-7 administrative budget underruns
- (b) US\$3.138 million for STAP; and
- (c) US\$3.924 million for the Trustee

The Council also approves a total FY25 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of \$22,200, comprised of the following allocations from the NPIF to cover the Secretariat's and Trustee's expenses for NPIF administration and implementation:

- (a) US\$17,500 for the GEF Secretariat; and
- (b) US\$4,700 for the Trustee

The Council also approves a total FY25 administrative budget for the Capacity Building Initiative for Transparency (CBIT) from the CBIT Trust Fund of US\$0.434 million, comprised of:

- (a) US\$0.412 million for the GEF Secretariat; and
- (b) US\$0.022 million for the Trustee

The Council reiterates its decision at its 64<sup>th</sup> Session in June 2023 on the topic of indirect charge, reproduced in Annex I.

The Council requests the Secretariat, in consultation with STAP and the Trustee, to present a combined FY26 corporate budget and business plan for discussion at its June 2025 meeting.

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## GEF SECRETARIAT FY25 BUDGET REQUEST, ACTIVITIES, AND OUTPUTS

1. This section reports on the execution of the FY24 administrative budget approved by Council. It also provides information on the expenses and projected savings from the earlier four-year GEF-7 administrative budget overall (FY20-23), and on budgeting within the agreed four-year GEF-8 administrative budget (FY24-27). In this framework, it then sets out the FY25 administrative budget request of the Secretariat.<sup>1</sup>

### Overview

2. **Estimated Actuals for FY24:** The Secretariat’s FY24 expenses are estimated at US\$27.485 million,<sup>2</sup> or 90% of the approved FY24 budget of \$30.534 million. This is shown in Table 2 further below. The underrun (savings) is due principally to savings from staff turnover vacancies in the current fiscal year and a slower pace of restructuring than anticipated which affected the timing to hire additional staff to build capacity, per the FY24 budget approved by Council last year.

3. The administrative budgeting and expenses in GEF-7 (FY20-23) are in Table 1 below, also provided last year. As shown in the table, the Secretariat stayed carefully within the four-year GEF-7 administrative budget envelope of \$103.5m agreed during the GEF-7 Replenishment negotiations, with projected savings (underruns) of close to \$10 million over the four-year period. These savings are due mainly to restrictions from the COVID-19 pandemic together with careful planning and efficiencies.<sup>3</sup>

**Table 1: GEF Secretariat Expenses and Projected Savings in GEF-7 Administrative Budget Cycle (FY20-FY23)**

| GEF-7 budget envelope | FY20 Actuals | FY21 Actuals | FY22 Actuals | FY23 Actuals | Special Initiative, 7 <sup>th</sup> Assembly Projected | GEF-7 projected total | Savings / (Underrun) |
|-----------------------|--------------|--------------|--------------|--------------|--|-----------------------|----------------------|
| 103.5                 | 22.388       | 21.524       | 22.555       | 25.677       | 1.700  | 93.844                | 9.656                |

4. **GEF-8 Delivery within the GEF-8 Administrative Budget Envelope:** As noted in the budget request last year, the GEF-8 Replenishment included a significant increase in budgetary resources for the GEF Secretariat to enable delivery of the GEF-8 agenda, corresponding to the higher

<sup>1</sup> FY25 is the first year of the GEF-8 administrative budget cycle and third year of the GEF-8 operational cycle. The lag of one year assures that administrative funding needs can be met at the outset of the operational cycle.

<sup>2</sup> This is estimated actual costs before the savings of \$2m from GEF-7 underruns (see Table 2). The estimation includes data for actual spending through April 30, 2024, and estimated spending during the remaining weeks of the fiscal year, which ends on June 30, 2024.

<sup>3</sup> As reported to Council in February, the 7<sup>th</sup> Assembly and related meetings in Vancouver were supported in part by funds under the budget line for Constituency Meetings of the Country Engagement Strategy, as has been done in the past, which occurred in conjunction with the Assembly while also enabling a higher and more diverse participation in the Assembly. See GEF/C.66/Inf.06, January 19, 2024.

ambition and funding volumes agreed at the Replenishment.<sup>4</sup> The four-year GEF-8 budget envelope is US\$127 million, compared to US\$103.5 million in GEF-7 (noted above).<sup>5</sup>

5. **Enhancing Staff Capacity.** Aligned to the higher funding envelope and ambition of the GEF-8 Replenishment, the Secretariat’s budget document last year set out a plan to enhance capacity and hire additional staff over a two-year period to enable its delivery. The first step was reflected in the FY24 budget, approved by Council last year in Brasilia. The second step is reflected in this year’s FY25 budget request, presented further below.<sup>6</sup>

6. In parallel, the FY25 budget request presented in this document reflects a continuing *decrease* in consultant support compared to FY24, especially extended term consultants. As staff capacity is enhanced under the FY25 request, if approved by Council, the need for this type of consultant support is correspondingly reduced. This is also presented further below.

7. **Internal Restructuring and GEF Reform.** In addition, the Secretariat has now put in place the restructuring of its internal organizational structure, as reported to Council last year. This restructuring is aimed to better align the Secretariat to the work demands and priorities of GEF-8, and further enhance staff capacity for delivery via efficiencies and savings.<sup>7</sup>

8. These internal organizational efforts are designed to fit within the larger framework of actions to reform the GEF, in support of efficient and effective delivery of GEF-8 and beyond presented to Council last year.<sup>8</sup>

9. **New Global Mandates.** As reported last year, the GEF has been requested to support two major new mandates since the Replenishment, the *Kunming-Montreal Global Biodiversity Framework Fund (GBFF)* and the *Treaty on Biodiversity Beyond National Jurisdiction (BBNJ)*.

- The budgeting to support the GBFF was presented separately to Council at its last meeting in February 2024. Now that this Fund is established, the budget for its operational work

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<sup>4</sup> As noted to Council in previous budget document, this reflected two main factors: (i) the Replenishment provided for a significant increase in funding for projects/programs and set major new priorities and demands for delivery and associated supporting activities; and (ii) Secretariat staff have experienced essentially no growth over the past two replenishment cycles and are at or beyond the limits of capacity across all areas of the Secretariat.

<sup>5</sup> See Summary of the Negotiations of the 8<sup>th</sup> Replenishment of the GEF Trust Fund, GEF/C.62/03, p. 247. The GEF-8 amount is the same percentage level as GEF-7 relative to the total replenishment amount.

<sup>6</sup> Some of this hiring could fall into FY26 depending on timing and need for any last adjustments.

<sup>7</sup> As described to Council last year, the reorganization produces several efficiencies, including through a “one-GEF” structure to avoid duplication in internal work processes and promote more efficient cooperation. The new structure is composed of a CEO Front Office; a new Director of Strategy and Operations; five main Divisions reporting to this new Director; a Communications Division; and a General Management Division. The five divisions now integrated within Strategy and Operations are: Programming; Integration and Knowledge; Conventions and Funds; Partnerships; and Operations and Policy. The Front Office also includes a new unit on Data and Information.

<sup>8</sup> See GEF Business Plan and Corporate Budget for FY24, Box 1, June 2023.

needs will be financed from the new Fund itself, rather than the GEF Trust Fund.<sup>9</sup> It is accordingly not included in the FY25 budget request presented below.

- The budgeting to support the new Treaty on BBNJ is covered by the GEF Trust Fund. This will be the first expansion in GEF's Convention responsibilities since 2013 with the Minamata Convention on Mercury.<sup>10</sup> There is now a period for deposit of instruments of ratification to a level for the new Convention to enter into force. The Secretariat is engaged in the process and is initiating work on priority needs and actions.

10. **GEF-9 Replenishment process – preparatory work:** FY25 is also the year when the GEF will begin preparations for GEF's 9th replenishment process. Consultation with Council and experts will be planned, including Technical Advisory Group meetings. Initial draft strategies and communication products will be produced throughout the year to support these efforts.

11. **Variable Costs:** The Secretariat projects a 3% decrease in variables costs in FY25, due mainly to the significant decrease in Extended Term Consultants as compared to FY24. In sum:

- *On travel*, the Secretariat budget proposal continues to balance the higher demands of the GEF-8 agenda with opportunities for savings via digital connections. It reflects core requirements to support the Conventions, support countries and partners to deliver the GEF-8 programming agenda, and increased monitoring and assessment of project and program performance as requested by Council.
- *On consultants (STC and ETC)*, as noted above, the projected need and associated costs will decrease significantly in FY25 compared to FY24, especially for ETCs, as staff capacity continues to be enhanced. The FY25 request also includes some additional consultant support needed to prepare for the GEF-9 Replenishment process.
- *On outreach and communication*, the Secretariat will continue to follow strict efficiencies and cost-savings, including through digital means, to keep costs at an efficient level to balance against the higher demands for outreach and communication in GEF-8, producing savings wherever possible.
- *On civil society engagement*, the FY25 request will continue and expand GEF's engagement with civil society, including women, youth, and indigenous peoples, building on the momentum of the GEF Assembly in Vancouver and looking ahead to GEF-9.

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<sup>9</sup> This follows the long-standing budgeting approach for other Trust Funds within the GEF family of funds, including the LDCF/SCCF, CBIT and NPIF.

<sup>10</sup> GEF staff also continue to engage in ongoing international negotiations for a new Legally Binding Agreement on Plastic Pollution, for which GEF is being considered as a financial mechanism.

- *On events*, the FY25 request includes a new separate line to support and account for events convened by the GEF in support of the mission and needs of the partnership. These include workshops, technical advisory group meetings (for replenishment), and other events to advance key priorities as set out below.

12. **Fixed Costs:** With respect to fixed costs, the Secretariat provides below an update on two issues relevant to the budget lines on office space and cross-support from the World Bank.<sup>11</sup> The status of these issues at the time was reported in detail in the FY24 budget request presented to Council last year in Brasilia.

**(a) Office Space**

13. In last year's budget document, the Secretariat reported an unexpected development in the planned renewal of its office lease. After months of excellent cooperation towards renewal, in December 2022 the World Bank informed the Secretariat that they were not prepared to sign the lease renewal.<sup>12</sup> After further discussion, this led to an interim decision to agree to a temporary one-year lease until this issue could be resolved.

14. This issue was presented to Council in the budget document at its session in June 2023. In its Decision, the Council called upon the World Bank to speedily resolve the GEF office space lease, enabling the Secretariat and the IEO to remain in the current office premises to ensure the GEF work and administrative budget is not further disrupted by temporary measures.<sup>13</sup> The GEF CEO conveyed this Council Decision to the WB MDCAO directly after the session of Council.

15. Following the Council Session last June, the WB informed the GEF of their agreement to support renewal of the lease. A short MoU was developed to reflect this decision and shared understanding. On this basis, and with the support of the WB, the longer-term lease renewal was signed by the WB in January of this year, with favorable cost terms as presented to Council last year (see also below) and with provision for additional space to accommodate expansion in staff of the Secretariat (see below). The Secretariat appreciates the multi-faceted administrative support of the WB to be able to finalize this renewal.

**(b) Administrative Support from the World Bank**

16. At its 64<sup>th</sup> Session in June 2023, the Council reviewed the issue of the appropriate level of charge by the World Bank for the administrative support it provides to the GEF, per the GEF

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<sup>11</sup> These same issues also apply to the GEF Independent Evaluation Office and the Adaptation Fund Secretariat.

<sup>12</sup> As host institution, the World Bank has always signed the lease on GEF's behalf.

<sup>13</sup> See Joint Summary of Co-Chairs, Decision 07/2023, GEF Business Plan and Corporate Budget for FY24, June 29, 2023.

Instrument.<sup>14</sup> The Secretariat's analysis was set out in the budget document presented to Council at that Session.<sup>15</sup> A short excerpt of this analysis is in Annex I to this document.

17. At its Session in June last year, the Council decided, in the context of the Secretariat's analysis, that

*“ . . . the level of 11% indirect charge as set out in the budget document is the upper limit for the GEF, provided that the WB provides a sufficient justification for this level, and otherwise may be adjusted to the level of 7%.”*

On this basis, the FY24 approved budget included an amount of \$3.025m (11%). The amount at 7% would be \$1.92m.

18. The Council further requested the World Bank to

*“ . . . provide a written report setting out the justification and basis for the proposed increase in indirect costs by no later than 30 September 2023, preferably earlier if possible and attend a subsequent Council meeting to enable a discussion with Council on the matter.”*

The GEF CEO conveyed the Council Decision to the WB MDCAO and team soon after the Session of Council and requested the WB cooperation to implement this Decision.

19. To the knowledge of the Secretariat, the World Bank did not provide the written report requested by GEF Council, noted above. But the MDCAO proposed that the WB would commission an external review as an additional benchmark. The GEF CEO agreed, provided that the Secretariat would be consulted in the TORs and process, and GEF's analysis would be provided to the external review in the interest of fairness and accuracy.

20. In late October, however, the WB Budget Office (BPS) informed the Secretariat that the external review had been completed but GEF's analysis had not been provided to the reviewer. Additionally, the Secretariat was not consulted during this process. The Secretariat believes that this undermined the relevance of the review for GEF, omitting GEF's analysis and data indicating that the WB methodology was not accurate and reasonable for GEF.<sup>16</sup>

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<sup>14</sup> Paragraph 21 states that that the GEF Secretariat shall service and report to the Assembly and Council, and *“shall be supported administratively by the World Bank and shall operate in a functionally independent and effective manner.”*

<sup>15</sup> See GEF Business Plan and Corporate Budget Request for FY24, Overview and Annex I.

<sup>16</sup> The WB recently informed the Secretariat that it had informally provided GEF's analysis to the reviewer after completion of the review, and received a response that it did not change its conclusions. This was done, however, after-the-fact, without any engagement with GEF, in a manner that seemed destined to have no effect. Indeed, an



21. Subsequently, the Secretariat continued the dialogue to seek agreement in line with the Council Decision last year. As of the writing of this document, this agreement has not yet been reached – though recent discussions at the time of this posting are presenting a new opportunity (see below, paragraphs 28-32). The last WB BPS proposal for GEF, communicated in early November 2023, is 13% of admin costs including the indirect charge itself (“total costs”) equivalent to around 15% of admin costs not including the indirect charge itself (“direct costs”), net of lease costs and with some costs (e.g., legal, lease) paid separately.<sup>17</sup>

22. This latest BPS proposal is significantly below their original proposal in January 2022 of 18% of total costs equivalent to around 22.6% of direct costs (see Annex I), but still well above the level decided by GEF Council last year. Using comparable calculation applied to direct costs, FY24 estimated actuals under the latest BPS proposal would equal \$3.71 m (15%) compared to \$2.72 m (11%) or \$1.73 m (7%).<sup>18</sup> For the FY25 budget, it would equal \$4.86 m (15%) compared to \$3.56 m (11%) or \$2.27 m (7%)

23. The Council reviewed this matter in its session in June 2023. As discussed at that time, the Secretariat wants to pay appropriately for much-appreciated administrative support provided by the World Bank. But an unreasonably high charge for overheads would come at the expense of project funds intended for recipient countries, not only from the GEF TF but from the LDCF/SCCF and GBFF.

24. In a recent high-level meeting, colleagues at the WB indicated to the GEF CEO a key concern of the WB: that adjusting charges to fit GEF unique governance and situation will create a problematic precedent for WB cost recovery from other “Financial Intermediary Funds” (FIFs) and trust funds.

25. The Secretariat considers that this should not prevent the WB from agreeing to a recovery rate that is accurate and reasonable to GEF, in line with the Decision of GEF Council. Rather, it is both correct and in the shared common interest to do so.

26. The term “FIF” as applied to GEF in this context has been another source of difficulty. The GEF is in reality much more - a partnership and a financial mechanism for the Conventions with

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earlier conclusion of the reviewer was that “. . . all FIFs needed to be treated equally and fairly on cost recovery.” GEF’s analysis, however, indicates that it is not “fair” to apply the methodology “equally” (one-size-fits-all), because GEF’s distinct governance renders it inaccurate to GEF.

<sup>17</sup> In percentage terms, the WB has referred to a percentage of total admin costs *including* the indirect charge amount being calculated (“total costs”). This has created confusion as it effectively double counts the cost being determined in the calculation. The Secretariat presents its calculation as a percentage of costs in the admin budget *other than* the indirect cost itself (direct costs).

<sup>18</sup> GEF Secretariat understands that an indirect charge rate would need to be applied to *actual costs* as determined at the end of a fiscal year and can only be applied in this way if agreed by GEF Council.

a unique system of governance.<sup>19</sup> Viewing GEF through this technical term “FIF” seems to have obscured its unique governance and situation, which is a central point in the discussions.

27. The Secretariat also understands that the World Bank’s own policy framework on cost recovery provides a clear basis and mandate to treat GEF according to its unique governance and situation.<sup>20</sup> It is suggested that this provides both a helpful and clear basis to tailor the recovery rate appropriately and reasonably to GEF, for the reasons noted above.

28. Related to the above, there is an important evolution taking place in the working relationship between the Secretariat and World Bank on budgeting. The Secretariat and WB BPS have agreed that the Secretariat is in full charge of and wholly responsible for its budgeting and will no longer receive support from BPS on this function as it has in recent years.<sup>21</sup>

29. This goes back to arrangements many years ago, when GEF had its own in-house budget officer at a technical level. As the work has evolved in recent years, the Secretariat believes this change is appropriate and needed in terms of governance, in line with GEF’s independence in budgeting as set out in the GEF Instrument.

30. This also creates a new opportunity potentially to resolve the differences between the GEF and the World Bank on the appropriate level of cost recovery. As GEF receives a reduced level of administrative support from the WB on budgeting, this should result in a downward adjustment in the indirect charge rate overall going forward. The Secretariat will add capacity to its internal budget team to replace these BPS support services.

31. The downward adjustment is significant.<sup>22</sup> At the time of posting, the Secretariat reached out to WB BPS to confirm the amount of this deduction. According to the Secretariat’s calculations, together with colleagues from GEF IEO and the Adaptation Fund Secretariat, the deduction would put the WB proposed indirect charge rate at around 11.2% (direct cost) and the GEF Council Decision (upper limit) rate at around 10% (direct cost), significantly closing the

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<sup>19</sup> Unlike other TFs or FIFs at the WB, the GEF is governed by an Instrument adopted by the Boards not just of the WB but also UNDP and UNEP, accepted by 186 participating States, renewed at each Replenishment. It is not for GEF, of course, to decide whether the cost recovery proposed by the WB is reasonable for other TFs or “FIFs” associated with the WB. As discussed at Council last year, the Secretariat is aware of concerns.

<sup>20</sup> The WB Directive on FIFs (2022), Section III.8, states that all costs associated with FIF Secretariats are funded by the FIF on a full cost recovery basis BUT that this Section “*is not applicable to GEF . . . to the extent detailed in the GEF Instrument*”. The WB Guidance on Hosting of FIF Secretariats specifically notes GEF as an exception to its provisions. See Bank Hosting of Financial Intermediary Fund Secretariats, February 22, 2022.

<sup>21</sup> This updated working relationship is being formalized for the coming fiscal year, following relevant high-level internal communications.

<sup>22</sup> In FY21 values, the original WB proposal put BPS support cost at \$800,000 per year, equal proportionately to around \$1.2 m in FY25 values. The Secretariat’s analysis put it at \$200,000 per year in FY21 values, based on years of practice and business need, as explained in more detail the analysis presented to Council last year.

difference between the two.<sup>23</sup> In the interest of finding resolution, the GEF CEO asked if the WB could accept an adjusted rate of 10.5% (direct cost), for consideration by GEF Council.<sup>24</sup>

32. In line with the decision of Council at its 64<sup>th</sup> Session in June 2023, this budget document applies an indirect rate of 11% as set out in that document (ceiling), otherwise to be adjusted to 7%, as set out in the full decision last year.<sup>25</sup> But as just noted, there is a pending discussion to see if the WB could support a potential rate of 10.5% (direct costs), for consideration by Council, based on the reduction of BPS admin support. The Secretariat will keep Council informed of any updates and presents this matter for Council review and decision.

33. One last observation, based on consultations between GEF Secretariat and the GEF Independent Evaluation Office (IEO). Even at the rate of 11%, or 10.5%, there are challenges to cover this charge within the GEF-8 admin budget envelopes of our respective offices. While the Secretariat is able to draw on underruns from its GEF-7 admin budget to cover the additional expense, as approved by Council last year, GEF IEO informs that they do not have this possibility. As a result, the charge would undermine their work program delivery, unless the GEF-8 admin budget envelope is adjusted or another means is found to accommodate it. To resolve this supportively for both our offices, an option would be to adjust the respective envelopes by the amount of the Secretariat GEF-7 underruns and any additional amount to cover the needs of IEO as well.

34. ***Staying within GEF-8 Administrative Budget Envelope:*** As indicated above, the FY25 budget request will provide sufficient resources to enable the Secretariat to deliver the high ambition of GEF-8 and continue to support and deliver on projects and programs already under implementation from GEF-7 and before.

35. As in the past, the request is aligned to and designed to keep the Secretariat within its four-year GEF-8 administrative budget envelope (FY24-27) of \$127 m. To cover the increased cost of WB administrative support services noted above, which were not anticipated at the time of the Replenishment, it is proposed to apply projected underruns (savings) in the GEF-7 administrative budget as was done and approved by Council last year. In this way, the higher costs for these services provided by the World Bank will not cut into the agreed GEF-8 programming and the needed administrative budget envelope and resources to deliver GEF-8.

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<sup>23</sup> If applied to the alternative rate indicated in the GEF Council Decision of 7%, the adjusted amount would be lower.

<sup>24</sup> This reflects the reduction in BPS support beginning in FY25, noted above, and that GEF would pay separately for certain other costs: legal support, external relations, IT equipment and support tailored to GEF's business needs (GEF Portal, GEF website) and of course the GEF office space. See also text below.

<sup>25</sup> Noting also, as mentioned above, that the World Bank did not present a report as requested by Council by 30 September 2023.

36. The FY25 request is shown in Table 2 below, with additional explanation of the individual budget lines in the sections that follow.

**Table 2: GEF Secretariat FY24 Budget Execution and FY25 Budget Request from GEF Trust Fund**

|  | FY24<br>Budget<br>Request | FY24<br>Estimated<br>Actuals | FY25<br>Budget<br>Request | FY25 changes to<br>FY24 Budget |            |
|--|---------------------------|------------------------------|---------------------------|--------------------------------|------------|
|  | \$ Mil                    |                              | \$ Mil                    | \$ Mil                         | %          |
| <b>Staff Costs</b>                           | <b>20.095</b>             | <b>17.548</b>                | <b>24.617</b>             | 4.522                          | 23%        |
| <b>Variable Costs</b>                        | <b>4.913</b>              | <b>3.812</b>                 | <b>4.788</b>              | <b>-0.125</b>                  | <b>-3%</b> |
| - Of which Travel                            | 1.858                     | 1.486                        | 2.170                     | 0.312                          | 17%        |
| - Of which Outreach                          | 1.000                     | 0.679                        | 1.000                     | 0.000                          | 0%         |
| - Of which Short term consultants            | 1.180                     | 0.809                        | 1.156                     | -0.024                         | -2%        |
| - Of which Extended term consultants         | 0.730                     | 0.762                        | 0.097                     | -0.633                         | -87%       |
| - Of which Staff training and Representation | 0.095                     | 0.076                        | 0.110                     | 0.015                          | 16%        |
| - Of which Support for civil society         | 0.050                     | -                            | 0.055                     | 0.005                          | 10%        |
| - Of which Events (new line)                 |                           |                              | 0.200                     |                                |            |
| <b>Fixed Costs</b>                           | <b>5.529</b>              | <b>6.125</b>                 | <b>6.527</b>              |                                |            |
| - Of which Office lease*                     | 1.203                     | 1.275                        | 1.630                     |                                |            |
| - Of which Office equipment and IT systems   | 0.775                     | 1.000                        | 0.812                     | 0.037                          | 5%         |
| - Of which WB cross support**                | 3.026                     | 2.721                        | 3.560                     |                                |            |
| - Of which Council                           | 0.525                     | 1.129                        | 0.525                     | 0.000                          | 0%         |
| <b>Total</b>                                 | <b>30.537</b>             | <b>27.485</b>                | <b>35.932</b>             | 5.395                          | 15%        |
| <b>Total (net) after savings***</b>          | <b>28.537</b>             | <b>25.485</b>                | <b>33.932</b>             |                                |            |

\* FY24 lease includes temporary one-year lease through Jan 2024; FY25 reflects new lease & expanded space for additional staff (see text)

\*\* Per Council Decision June 2023 of indirect charge rate ceiling of 11% of direct cost, which could otherwise be adjusted to 7% (see text)

Note: there is a pending discussion to see if the WB Budget Office could accept a rate of 10.5% (see text)

\*\*\* Savings of \$2 m from underruns in GEF-7 administrative budget (see text)

## Individual Budget Lines

### (1) Staffing

36. In line with the expanded GEF-8 corporate budget envelope,<sup>26</sup> and 30% higher overall funding volume compared to GEF-7, the Secretariat reported to Council last year its plan to hire additional staff in a staggered manner over FY24 and FY25 to deliver the high ambition and work demands of GEF-8. As described further below, the additional staff are needed in a range of levels across the core work responsibilities of the Secretariat, including: programming and project

<sup>26</sup> \$127 million for the GEF Secretariat compared to \$103.5 million in GEF-7.

reviews; integration and knowledge; partnerships and SGP 2.0; conventions and funds; operations, policy, and data; communications; and general management.<sup>27</sup>

37. During the current fiscal year, per the FY24 budget approved by Council, the Secretariat has taken the first steps to meet these needs. The new staffing aligns to the internal restructuring, with a focus so far on filling; (i) Director-level leadership and managerial positions aligned to the new structure; (ii) other key strategic positions needed for immediate business continuity and delivery; and (iii) vacancies created by staff departures. The new positions have helped bring the new structure into place and meet the immediate needs, yet overall workload remains unsustainably heavy for the current complement.

38. For FY25, the Secretariat is preparing to move to the second stage of hiring to meet the needs for GEF-8 delivery, as envisioned in the assessment presented to Council last year. This next stage will focus on key technical, operational and support positions to meet the work responsibilities, and in line with the internal restructuring and GEF Reform. The sequential timing also enables the new managers to engage directly in the selection of these key positions, in line with the priorities and responsibilities of the GEF-8 agenda. This is described in more detail below, which also provides a status update on information presented to Council last year.

**(a) Priority areas of need**

39. The Secretariat is adding staff capacity to meet the following priority business needs and expanded work demands:

40. **Programming:** The financial envelope of GEF-8 represents a 30% increase in resources. This translates into an almost 30% increase in number of projects coming to the Secretariat for review and processing. The work includes multiple actions and demands to engage with countries and agencies; review project proposals for consistency with GEF programming strategy and related policies; and bring strong work programs to GEF Council for consideration and approval.<sup>28</sup> This creates high demands in several inter-related areas of programming work:

- *The work demands in the focal areas* have expanded significantly with the much higher levels of funding in the Replenishment, as well in inter-related work for integrated programming (see further below). The work is labor-intensive and requires a high level of skill, expertise, and diligence including to review and approve project proposals, guide

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<sup>27</sup> This reflects the Secretariat's in-depth assessment of staffing needs, updated this year to reflect experience in FY24 and the internal restructuring. The assessment presented last year included a detailed internal mapping and review of staff roles and a stock-taking on staff capacity vis-à-vis existing and projected workload. The Secretariat also commissioned an intensive review of the Secretariat's existing structure by expert consultants.

<sup>28</sup> There is also ongoing responsibility to review and approve projects and programs coming in for CEO endorsement or approval from past replenishment cycles, for their strong and effective implementation.

agencies and partners on programming strategy, funding availability, and other dimensions, and deliver work programs to GEF Council for consideration and approval.

- *The work on blended finance* requires additional expertise and capacity to support new financial arrangements and tools to shift the arc of financing and capital toward climate and nature-positive investments and solutions. This requires higher involvement and specialized expertise in financial due diligence, and more interactions with the Trustee and Agencies on financial analysis and delivery. Ongoing engagement with partners also is highlighting new opportunities to leverage GEF investments with the private sector arms of MDB partners, including the World Bank and others, for our common agendas.
- *The work on private sector engagement* requires sustained additional action by the Secretariat to engage strategically with private sector actors and transform the work of the GEF to be nimbler and more supportive of such engagement, including in the IPs and associated multi-stakeholder platforms.

42. To meet these higher demands, and in line with its internal restructuring, the Secretariat to date has put priority on hiring the new Director of Strategy and Operations, a new manager of the Programming Division, filling vacancies due to staff turnover, and taking initial steps to build staff capacity at a technical level. A key goal has been to maintain business continuity in delivering this much higher level of programming responsibility, which is beyond what can be handled by previous staff levels.

43. In the remainder of FY24 and into FY25, the Secretariat will sequentially enhance capacity at the technical level [Focal Area Specialists, Finance Specialist, Country Support Officer] to meet the higher responsibilities outlined above. This staffing up will be accompanied by a reduction of ETC support now temporarily in place.

44. **Integrated Programs and Knowledge.** The Replenishment agreed to a greater focus on integration to drive system-level change, including 11 Integrated Programs (IPs) that cover the major critical environmental challenges facing the planet and humanity. Experience to date underlines the much higher workload for the Secretariat to engage upstream with agencies, countries, and partners to design, review and present to Council for approval the PFDs and eventual child projects for the IPs, at high quality, for swift implementation.

45. This past September 2023, GEF Council also adopted a new GEF Knowledge and Learning Strategy, again building on directions set in the GEF-8 Replenishment. This new Strategy sets an ambitious agenda to strategically mobilize and use the extensive and amazing reservoir of knowledge within the partnership, in support of informed decision-making, advancing policy dialogue and best practices, and higher results.

46. To build capacity to meet these higher demands, the Secretariat to date has put priority on hiring the new manager of the new integrated Division on Integration and Knowledge, and re-mapping existing staff to maximize efficiency in support the work of this new Division.
47. In the remainder of FY24 and into FY25, the Secretariat will enhance capacity in technical integrated programming expertise [Senior Environmental Specialist, Integration]. The Secretariat will also build capacity to deliver the new GEF Knowledge and Learning Strategy, [KM Specialist, Learning Officer], which is beyond the capacity of existing staff to deliver.
48. **Partnerships and SGP 2.0.** The GEF-8 Replenishment set an ambitious agenda to strengthen partnerships and social inclusion, including with non-state actors and new organizations and partners at the global and local levels. It is especially high priority to strengthen engagement with women, youth, and indigenous peoples and local communities (IPLCs). The expanded *GEF-8 Small Grants Program (SGP 2.0)* also continues as a flagship initiative to engage with and support local communities.
49. The Secretariat to date has selected a Lead Specialist to lead its new Division on Partnerships. In the remainder of FY24 and into FY25, the Secretariat will reinforce existing capacity, including for SGP 2.0 [SGP Officer]. This is also an area where the Secretariat expects to make use of its new Internship Program to bring different types of support to the GEF, including young people and others who are playing a key role in civil society actions for the global environment.
50. **Conventions and Funds:** The Secretariat carries out wide-ranging work to implement guidance and relevant decisions of the Conferences of the Parties (COPs) for which GEF is a financial mechanism, building on the ambitious GEF-8 agenda (see Business Plan, below). These responsibilities have grown in GEF-8, both with the larger resource envelope for programming and with the addition, for the first time in many years, of a new Convention (ABNJ).
51. The Secretariat also is enhancing its cooperation with sister funds, in support of complementarity, efficiency and higher results (see Business Plan, below). There is also priority to enhance capacity in other parts of the GEF family of trust funds, the LDCF, SCCF, and GBFF (budgeted separately and not included in the FY25 budget request in this document).<sup>29</sup>
52. These workstreams are politically sensitive and complex, with multiple needs and tasks.

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<sup>29</sup> For Climate Adaptation and LDCF/SCCF, the GEF-8 programming strategy requires to handle the doubling of GEF support to the LDCs, SIDS, and for innovation. The team needs to be reinforced to address the growing portfolio, the Dedicated Programs, and to further elevate GEF's visibility for this important subject of significant political attention. These inter-related staffing needs are addressed in the LDCF/SCCF Budget Request for FY25 submitted to the LDCF/SCCF Council. As noted above, staffing to support the Kunming-Montreal Global Biodiversity Framework will be funded separately by the new GBFF.

Staff with relevant experience and political acumen are needed, including in the relevant focal areas (IW/BD/CW) and with cross-cutting functions across MEAs. The additional capacity for programming and integration work under the GEF Trust Fund, noted above, will be deployed in this workstream as well to ensure full and effective support for the Conventions.

53. **Operations and Policy:** With the GEF-8 Replenishment, the portfolio of GEF-financed projects and programs is growing both in size and complexity. The larger portfolio requires stronger analytical capacity to help hold GEF partners accountable to GEF-8 programming goals and GEF policies, and a greater ability to structure routine work for adaptive management and project turnaround.<sup>30</sup> In addition, the GEF is also raising the bar to put more focus on managing for environmental results,<sup>31</sup> and working at pace to implement the GEF reform to simplify operations, speed up projects (at high quality), and provide easier means to access GEF funds.

54. The GEF-8 agenda also puts a priority on strong implementation of existing policies, including on Environmental and Social Safeguards, Fiduciary Standards, Gender Equality and Stakeholder Engagement.<sup>32</sup> The higher volume of projects and programs in GEF-8 translates directly into higher requirements for due diligence reviews at PIF and CEO endorsement, and a more strategic review of policy aspects during project implementation, as required by the updated GEF Policy on Monitoring.

55. To build its capacity and leadership for this work, the Secretariat to date has selected a new manager to lead its new Operations and Policy Division, after the position was vacant for most of FY24. In the remainder of FY24 and into FY25, to meet the added work demands indicated above, the Secretariat will expand its capacity in the key areas of operations, portfolio monitoring and management, and policy implementation.

56. **Data and Analytics:** In line with the GEF Restructuring, a small Data and Analytics Unit has been created within the CEO's Office. The immediate objectives of this Unit are to undertake analytical work in order to further position the GEF as the partner of choice, develop the GEF's growing agenda on policy coherence, articulate the GEF's role in the nature financing gap, analyze

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<sup>30</sup> As reported last year, a recent bilateral review of the portfolio of one of the GEF Partner Agencies identified some \$79 million in unused resources following project completion, to be returned to the GEF-managed Trust Funds – funds now available to the partnership. A separate document to this Council indicates that this value is now above \$130 million in unutilized funds

<sup>31</sup> The scale of GEF-8 requires a higher level of portfolio monitoring and tracking of performance to clearly inform Council on progress, opportunities, and challenges. It also requires more proactive and strategic engagement with Agencies, OFPs and stakeholders to identify challenges faced by projects on the ground and facilitate action for higher results, learning from the lessons of portfolio management overall, including at the key implementation stage of Mid-Term Review (MTR).

<sup>32</sup> The GEF-8 policy agenda encompasses adjustments to policy and guidelines to streamline operations, further the inclusion agenda, reflect needs in fragile and conflict-affected situations, and optimize both results and geographic and thematic coverage of agencies in the partnership. The updated GEF-8 templates in the GEF Portal simplify and facilitate entry of information by GEF agencies, while carrying forwards the critical need to address these core policy requirements during project design and preparation.



the impact of GEF investments, and develop the GEF-9 STAR allocation system. While this Unit is currently and primarily served by the redeployment of existing staff, this Unit will expand capacity in FY25 [Data Analyst]. This Unit will also make use of the GEF's new Internship Program to bring postgraduate students on board for short-term projects/theses.

57. **Outreach, Communication and GEF Visibility:** The GEF-8 agenda, expanding Convention-related mandates and greater emphasis at working at the country level also highlights the need for stronger and more systematic action to enhance awareness and visibility of the GEF's work at the local, national, and global level. Effective communication on GEF priority areas and initiatives has an important role in both focusing attention on these issues and publicizing the GEF's impacts and results.

- While the GEF's visibility has grown in recent years, there is a need to further raise awareness about its role and reach. Ensuring that the full breadth and impact of GEF-funded activity is visible and understood is critically important to maintaining and accelerating international momentum in support of goals related to biodiversity loss, climate change, pollution, and strains on land and ocean health. It is equally important that all GEF-funded activities are understood as responses to multiple international agreements on resource mobilization in the context of the implementation of Multilateral Environmental Agreements (MEAs).
- This work will build on a recognition that effective communications is central to everything the GEF does, and the findings of a recent meeting convened by the GEF Secretariat communications team with the corresponding teams at all GEF Agencies, to map out the needed ways to meet these objectives. The budget request presented in this document includes an addition to existing staff levels to enable this priority work, including a greater focus on digital communications, media relations and country level communications.

58. To meet these expanding demands, the Secretariat is in the process of adding staff capacity in key areas of the work portfolio [External Affairs Officers Web, Media, Outreach], and correspondingly to reduce ETC support now temporarily in place.

59. **General Management.** The GEF-8 agenda also creates higher demands for organizational and logistical support to deliver events convened by the Secretariat under the expanded Country Engagement Strategy,<sup>33</sup> for Council, for the GEF Assembly, among other initiatives. This is also labor-intensive work which requires high diligence to meet multiple needs and fiduciary standards.

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<sup>33</sup> The new GEF-8 Country Engagement Strategy (CES) has a much higher ambition for this work compared to the previous Country Support Program, as set out in the Council Decision in December 2022. This creates greater demands on Secretariat staff to foster and support engagement, strengthen South-South exchange and sharing of knowledge and lessons learned, and build capacity for greater ownership and higher results. While many activities will be funded separately under the CES, their delivery requires additional staff capacity beyond current levels

60. In FY25, the Secretariat will add needed staff capacity [Program Assistants] to deliver the high and expanding organizational and logistical requirements for this work. This will build on efficiencies gained in the current fiscal year with the creation of a new Events Team, as part of the internal restructuring.

61. **Projected needs:** In line with the assessment of needs presented to Council last year, and the expanded work volumes in GEF-8, the FY25 budget request includes funding for additional staff positions at appropriate grade level aligned with priorities outlined above. The positions will be added gradually during the next fiscal year,<sup>34</sup> in line with the expanded GEF-8 corporate budget. This is reflected in the FY25 budget request on staff costs in Table 2 above.

#### **(b) Regular SRI salary adjustment**

62. The increase in cost shown in the staff salaries line in Table 2 also reflects the regular annual Salary Rate Increase (SRI) approved by the Board of the World Bank for staff, expected to be 5.6%.<sup>35</sup>

#### **(2) Variable Costs**

63. In FY24, variable costs are projected to come in at US\$3.792 million, or 77.2% of the budgeted amount. The underrun is explained in the items below.

64. For FY25, variable costs overall are expected to be US\$4.787 million, a decrease of 3% compared to the FY24 budget. This reduction reflects needs and efficiencies in the different cost lines based on experience in FY24, and a significant reduction in need for ETC consultants as staffing is increase, as indicated below.

#### **(a) Travel**

65. Travel costs for FY24 are predicted at around US\$1.486 million, or 80% of the FY24 budget of \$1.858 million. This underrun reflects efficiencies and economies in meeting overseas meeting requirements, based on lessons from the pandemic, and that the Secretariat had a slower pace than anticipated in bringing on new staff, as described above.

66. Looking ahead to FY25, travel costs are projected at \$2.170 million. See Table 2. This is an increase of 17% compared to the FY24 budget. It reflects core requirements to support the Conventions, support countries and partners to deliver the GEF-8 programming agenda, increased monitoring and assessment of project and program performance as requested by Council (see Business Plan below), and the additional staff capacity to meet these demands.

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<sup>34</sup> In parallel, the Secretariat is developing an improved and more tailored on-boarding program for new staff, to support efficient on-boarding and integration of new staff into the work.

<sup>35</sup> The level of SRI increase is based on current information from the World Bank and is subject to final review and approval by the World Bank Board.

67. The budget also includes a small amount to cover partial costs of staff supported by individual donor countries under the Donor-Funded Staffing Program (DFSP), and ever-present secondments of staff made available to the Secretariat by donor countries.<sup>36</sup> As in the past, these costs are reflected in the travel as well as in the line on office costs, below.

68. As before, the Secretariat will look for opportunities to reduce travel requirements and costs through virtual meetings and digital connection technologies whenever these can be effectively implemented, building on lessons and technical platforms developed during the pandemic. This will also help to reduce the environmental footprint of our work, and balances down the projected costs for travel in what in the face of high-demands for the launch of GEF-8.

69. The Secretariat will continue to keep costs down through careful and judicious travel planning for these and other core business responsibilities, including Secretariat participation in Conferences of the Parties (COPs) and Convention-related engagements, other GEF-relevant meetings, and country dialogues, as well as through pursuit of opportunities for savings through digital connections, as mentioned above, and complementarities.

#### **(b) Outreach**

70. Outreach costs in FY24 are expected at \$0.679 million, about 68% of the FY24 budget of \$1.0 million. This is due mainly to cost savings associated with a new joint pavilion approach with the other climate funds at UNFCCC COP29 and the fact that the other Rio conventions didn't hold COPs in FY24. This will change in FY25, with COPs scheduled for UNFCCC, CBD and UNCCD.

71. The budget for outreach activities is kept flat at \$1.0 million in FY25. This includes support for three major COPs, a series of other high-profile events, the start of GEF-9, implementation of the new GEF visibility policy, and increased demands from the CEO for communications support/initiatives. The budget will also cover ongoing work to support the GEF website, social media analytics, media monitoring services, corporate video services and publications in support of GEF-8 work and the partnership.

#### **(c) Short and Extended Term Consultants**

72. As shown in Table 2, consultant costs in FY24 are projected to be US\$0.809 million for STCs and US\$0.762 million for ETCs. The combined total of these two is within the approved FY24 budget, with an underrun for an STCs and a slight overrun for ETCs (see Table 2).

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<sup>36</sup> The Secretariat reserves resources to partially fund the cost-effective opportunities that are offered on a competitive basis by the Donor-Funded Staffing Program (DFSP). The DFSP typically support 3 years of JPO positions, in return for the Secretariat to cover for another 2 years. The Secretariat has already incorporated a few staff through the DFSP, but some additional resources are needed to cover for the partial costs the recipient unit has to bear. The Secretariat has also made good use of occasional secondments of staff from GEF donor countries, which come to the GEF with their compensation covered but still need resources to perform their functions, such as participation in missions and the associated logistic costs.

73. For FY25, the budget for STCs is US\$1.138 million, a decrease of 4% compared to the FY24 STC budget of \$1.180m. See Table 2. The FY25 budget for ETCs is US\$0.114 million, a major decrease of 84% compared to the FY24 ETC budget of \$0.730 million. As noted above, the FY25 consultant request is significantly less than FY24 as staff capacity is enhanced going forward (if approved by Council).

74. As in past years, consultants are retained only where needed to supplement and support the expertise and capacity of the staff, to enable full delivery of the work program. All consultants are hired using World Bank policies and procedures, according to fees set annually by the World Bank. In FY25, the Secretariat also will have arrangements for the possible hiring of interns to support key tasks in the work and to build networks and opportunities for career development.

75. The requested consultant support in FY25 is needed in the following priority areas:

- GEF-8 implementation. This includes support to implement the Blended Finance Program, given its complexity and required expertise; and to more effectively integrate key cross-cutting priorities into GEF programming, including for indigenous-led conservation, greater engagement of youth and local communities, support for traditional knowledge and expertise, and full integration of policy-based requirements on gender equality.
- Support for GEF engagements and strategic advice on ongoing multilateral negotiations and COPs.
- Targeted support for GEF's enhanced oversight and reporting functions per GEF-8 policy recommendations, to help identify and address different types of risks during project implementation and to help speed up project implementation.
- Support for strategic actions to enhance communication and outreach to stakeholders and the public, outreach at COPs, and to build greater visibility of the GEF and the GEF-8 agenda.
- Support to implement the GEF Knowledge Management and Learning Strategy, approved by Council in September 2023, including actions to leverage existing knowledge management systems already in use across the partnership.
- Support to kick off the GEF-8 replenishment process, including studies by and consultation work with experts and stakeholders on strategy, policy work, and data (including calculations and analysis needed for STAR), and outreach.

**(d) Support for Civil Society Engagement**

76. As shown in Table 2, there was no outlay of funds in FY24 on this budget line. This was in large measure because the Secretariat was awaiting internal discussions at the CSO network

before engaging in more depth. The Secretariat also used the opportunity of other scheduled meetings, including GEF Council, to further the dialogue and engagement.

77. Building on ongoing programming work and the momentum of the GEF Assembly in Vancouver in August 2023, this work will continue and expand in the coming year. There will be priority on engagement with youth, women, and indigenous peoples, and a main focus to look ahead to opportunities and needs going into the GEF-9 replenishment. The FY25 budget request includes slightly expanded funding for this priority area of work.

#### **(e) Staff Training and Representation**

78. These costs cover training for staff development and initiatives to promote efficiency and effectiveness in the workplace, as well as official representation.<sup>37</sup> They are estimated at \$0.076 million in FY24. See Table 2. The underrun on this budget line includes efficiencies and savings are gained through virtual and digital-based systems for training where feasible.

79. For FY25, these costs are requested at \$0.110 million. This is a slight increase compared to FY24, in the context of the internal restructuring and hiring of additional staff. The funding will support an enhanced onboarding program for new and recently hired staff, and priority efforts to support staff training, development, and technical competencies under the new structure. As in previous years, the Secretariat continues to achieve cost savings on training through internal policy which requests staff to consider first training services offered by the World Bank, as host institution.

#### **(f) Events**

80. The FY25 request includes a new separate line to support and account for events convened by the GEF in support of the needs of the partnership. These include workshops, technical advisory group meetings in preparation for the GEF-9 replenishment, and other events to advance key priorities as set out in the Business Plan below.<sup>38</sup> Depending on the event, the budget will cover costs for venue, travel of invited participants, and other logistical arrangements.

### **(3) Fixed Costs**

81. In FY24, fixed costs are estimated at a slight overrun compared to the budgeted amount (see Table 2). The costing breakdown includes the following:

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<sup>37</sup> The workplace development includes organization of training events to provide up-to-date briefings and materials on new policies, capacities and requirements in the institution relating to a safe workplace, sexual exploitation and abuse, and diversity and inclusion. Representation includes certain official functions and limited hospitality costs associated with official meetings and events, including events at COPs and agency and staff retreats.

<sup>38</sup> A small amount is included for events not yet planned but that could arise in the coming year.

- **Office lease:** The situation relating to the office lease, noted above, has been resolved. The finalization of the longer-term lease, which took a few months longer than anticipated (done by late January), included favorable provisions (three free months of rent) that helped maintain costs to budgeted levels for FY24.
- **Council Meetings:** At the time of the FY24 budget approval, it was expected that there would be two Council meetings in FY24, one in-person and one virtual. Due to the need for additional time to address key agenda items, however, Council subsequently decided to hold three Council meetings in FY24, two in-person (and hybrid), one virtual. This has resulted in higher costs than originally expected.
- **Cross-support from the World Bank:** as noted above, the budgeting is based on the 11% (ceiling) rate as decided by GEF Council in June 2023.

82. The budget request for FY25 on fixed costs is reflected in Table 2, as explained in more detail below.

**(a) Office Lease**

83. For FY25, the budget request reflects three key factors:

- **The favorable costing of the longer-term lease.** The long-term lease renewal includes several favorable cost factors that were noted in the budget document presented to Council last year in Brasilia. These include: (i) a favorable (low) base rent, lower than previous lease costs/projections, reflecting market conditions in D.C.; (ii) three free months of rent each year; and (iii) a significant Landlord Contribution over the course of the lease (\$3 million), of which 70% (\$1.8 m) can be used for rent abatement.<sup>39</sup>
- **The expansion of space to accommodate staff growth in GEF Secretariat and the Adaptation Fund Secretariat:** Aligned to the discussion above and at the Council session in Brasilia last year, the new lease includes additional office space to accommodate new staff. For many years, the GEF Secretariat, IEO and AF Secretariat were co-located on the 7<sup>th</sup> and 8<sup>th</sup> floors of the current office premises. To meet the significant growth needs, the new lease includes the 6<sup>th</sup> floor as well. The Adaptation Fund Secretariat has already started to move in as of March of this year, due to their long-standing needs for additional space as they have continued to grow. The GEF Secretariat will expand into the new space with the beginning of the new fiscal year, on July 1. This additional cost is reflected in the FY25 budget request.
- **Proportionate costing – three offices, family of Trust Funds.** As in the past, the costs of the new lease are shared proportionately (by footprint) among the three co-located offices, GEF Secretariat, GEF Independent Evaluation Office, and the Adaptation Fund Secretariat. Within the GEF Secretariat, the costs are also allocated proportionately among the different family of trust

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<sup>39</sup> The remainder of the Landlord Contribution is available for improvements and maintenance as set out in the lease.

funds, i.e., the GEF Trust Fund, the LDCF and SCCF Trust Funds, and now the new GBFF Trust Fund. The FY25 budget request reflects the updated allocations.

**(b) Greening and Sustainability Initiative at GEF workplace**

84. As in FY24, the FY25 request includes a small amount to support and advance its ongoing efforts to “green” its workplace. The GEF gives ongoing attention to having a green workplace, and shares ideas with partners about efficient and effective opportunities for this effort.

85. In the coming year, these funds would support continuing actions to reduce the carbon footprint, explore opportunities to place solar panels on the rooftop (building on provisions in the longer-term lease just renewed, and cover incremental additional costs associated with the elimination of single-use plastic in the office and at events organized by the Secretariat (to source all events sustainably). The Secretariat reorganization also is providing an opportunity to reinforce and systematize these efforts. As reported to Council previously, the GEF is committed to continuing action toward these ends, to practice fully in our offices what we work for and support outside.

**(c) Office Equipment and IT Systems**

86. In past years, this budget line included separate charges for the Basic IT package from the WB, computers, telephones, printing and supplies, etc. provided on a charge-back basis by the World Bank, and IT systems tailored to GEF needs including the GEF website and GEF Portal.

87. The FY24 approved budget adjusted these costs slightly downward to reflect that Basic IT Package costs would be covered by the new indirect charge (assuming agreed), but that GEF will continue to pay the World Bank separately for equipment (laptops, phones, printers, AV) and for IT work to support customized GEF IT systems (GEF Portal and GEF website).

88. For FY25, the budget request includes continued strategic investments in IT systems tailored to GEF. For the GEF Portal, this includes:

- Continued work to simplify its templates and fields, in line with GEF Reform.
- Strategic advancements in its dashboard, reporting features and data analytic functions, building on excellent progress in recent years, to promote easier self-service access to portfolio information through data visualization, in line with the GEF reform initiative
- Expansion of additional features especially Agencies, OFPs and STAP, and for enhanced data analytics, including for example, on funding support for civil society partners
- Consideration of the application of tested AI and Machine Learning approaches to coding projects along specific themes, expanding analytics possibilities
- A small amount to enable a needed upgrade in the IT platforms of key partner database systems.

- Adapt its templates to the new GBF Fund, under a simplified approach (funded separately under the GBFF)

**(d) Administrative support from the World Bank**

89. The FY24 budget provided for a new indirect charge rate to cover administrative support services provided by the WB. As indicated above, the FY25 request follows the decision of Council in approving the FY24 budget last June in Brasilia.

**(e) Council Sessions**

90. As noted above, the FY24 estimated costs for Council are above budget, due to three main factors:

- The addition of a third Council meeting in FY24, per Decision of Council, rather than two as envisioned in the FY24 budget document.
- Slightly higher than anticipated costs due shifts in dates and corresponding need to re-set venue and arrangements.<sup>40</sup>
- The longer duration of Council meetings with the addition of the sessions for the GBFF.

91. The budget request for FY25 is based on the expectation that there will be two sessions of Council in FY25, one in December 2024 (virtual) and one in June 2025 (in-person/hybrid). With the benefit of advance notice, the Preston auditorium is now reserved for the session in June 2025.

**FY25 Business Priorities and Deliverables**

92. The core areas of Secretariat work responsibilities will continue into FY25, with additional new demands and priorities to reflect the ambitious GEF-8 programming and policy agenda, new mandates from the Conventions (noted above), and preparations for the GEF-9 Replenishment process.

**(1) Strategic and Operational Objectives**

93. The Business Plan in FY25 and beyond is guided by the GEF Reform (noted above) and the following strategic and operational objectives:

- Effective delivery of the GEF-8 programming and policy agenda, and implementation of the active portfolio, with particular focus on GEF-7

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<sup>40</sup> When the dates were changed, the Preston Auditorium in the World Bank was no longer available for use. The Secretariat thus arranged the February session at the Hyatt Regency hotel (DC) and the current (June) session at the Mayflower Hotel (DC). With the additional time, the current session at the Mayflower is lower cost than the Hyatt – yet still higher than at Preston due mainly to costs to adapt needed IT systems to the hotel venues.



- Effective support to GEF Council and Council Meetings for the GEF family of funds
- Effective support for existing and new Conventions and associated COPs for which GEF serves as a/the financial mechanism, including new mandates of the GEF
- Strengthening the GEF Partnership and effective implementation of the updated Country Engagement Strategy
- Successful delivery of the GEF Reform (see above), including:
  - Streamlining GEF operations and procedures, making access to GEF funds easier, and speeding up projects - while maintaining high quality and policy implementation.<sup>41</sup>
  - Enhanced engagement with non-State actors, including youth, women, indigenous peoples and local communities, and the private sector
- Strategic positioning of the GEF as the partner of choice

94. Within this framework, the discussion below highlights key priority actions and deliverables for the Secretariat in FY25, the third year in implementing the GEF-8 programming and policy agenda.

## **(2) Key Priority Actions and Deliverables**

### **(a) Supporting GEF Council**

95. In line with the Replenishment, for FY25 this will include the following priority actions and deliverables.

96. *GEF-8 Programming and Work Program Delivery.* FY25 marks the third year of the GEF-8 programming agenda, including the increased commitments for Integrated Programs, Focal Areas, blended finance, Innovation, and SGP 2.0. The work will build on and continue ongoing strategic and multi-level consultations, engagement and work with countries, partners, and stakeholders to submit and request Council approval of the GEF-8 IPs, child projects and other GEF-8 programming priorities.

97. The Secretariat will present its Work Programs to Council within this new framework, as it has been doing throughout the Replenishment period, with an aim for transformative results in full support of the ambitious new GEF-8 programming agenda. This requires intensive work and action at multiple levels, both in putting together the work program and in supporting

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<sup>41</sup> Including policies on safeguards, gender equality, stakeholder engagement, and fiduciary standards.

subsequent actions for project preparation, CEO endorsement and approval, and full implementation.

98. Significant time and resources will be deployed to advance key new priority areas of programming - - including private sector engagement, blended finance, and the Small Grants Program 2.0. Progress in these work areas is already reflected in Work Programs presented to and approved by Council, with more underway.

99. The Secretariat will also build on a range of initiatives with partners to support and enhance its work and results on programming. This will include continued coordination with the Green Climate Fund under the Long-Term Vision for Cooperation between GEF and the GCF<sup>42</sup>; the High Ambition Coalition for Nature (focused on supporting actions to achieve the 30x30 targets set out in the Kunming-Montreal GBF); and other partner initiatives.

100. In parallel, staff will continue their ongoing work to support and review full implementation of programs and projects approved in GEF-7 and before, in line with the objectives of the Replenishment and for highest results.

101. GEF-8 Policy Recommendations. The Secretariat will continue to work actively in FY25 to fulfill the GEF-8 Policy Recommendations from the Replenishment, including preparation of requested reports and information for Council.

102. The Secretariat will propose its analysis and recommendations to support further streamlining of the GEF project cycle at the XXX session of GEF Council and will work closely to as part of the newly created Working Group on streamlining. Consistently with GEF Reform, this has the aim to improve efficiency and access to GEF resources for recipient countries while maintaining high quality and alignment to GEF policies and standards (see also below – work with Agencies).

103. Policy implementation (ongoing). Consistently with the GEF-8 agenda, this will continue to include support for full implementation and compliance with updated GEF Policies, including on Stakeholder Engagement, Gender Equality, Environmental and Social Safeguards, Fiduciary Standards, Monitoring, and STAR. It will involve follow-up work to advance the GEF inclusion agenda, in line with recent deliberations and decision of GEF Council at its session in February 2024. It will also include continued and enhanced fiduciary and oversight functions, including expanded monitoring and reporting and greater focus on early action to identify and address issues and risks as they arise during project implementation, including at the key stage of Mid-Term Review.

104. Organizing sessions, meetings, and dialogue; support for other decisions and priorities. The Secretariat's work in FY25 also will include the work to organize and convene the regular sessions of Council, events and meetings under the Country Engagement Strategy, and the range of other meetings and dialogues for the work of the Partnership (see also below – Engagement

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<sup>42</sup> GEF, 2021, Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund and the Global Environment Facility, Council Document GEF/C.60/08

with Agencies, Country Engagement Strategy). The Secretariat will also implement and support other decisions and requests of Council as they arise in the coming year.

**(b) Supporting the Conventions**

105. In line with the Replenishment, for FY25 this will include the following priority actions and deliverables.

106. Implementing COP guidance. As in the past, this work includes implementing guidance and relevant decisions of the Conferences of the Parties (COPs), building on the ambitious GEF-8 agenda, reporting on actions in support of the guidance and decisions from the COPs, including to the Conventions directly and to GEF Council, and building visibility and understanding of the ambition and content of the GEF-8 agenda, for best consideration and use at the level of the Conventions in support of their mandates going forward.

107. Reporting on Relations with the Conventions, New Mandates. The Secretariat will also continue to organize the Relations with Conventions session at each Council, including preparation of a decision document that summarizes key developments under each Convention and responses to COP guidance and decisions, and an organization of a session with Executive Secretaries. As noted above, this includes the high-priority work to implement the new mandates for the GEF on the Kunming-Montreal GBF Fund and the new Convention (not yet in force) on BBNJ.

108. Technical support and cooperation. As in past years, the work includes the full range of technical support at meetings and working sessions convened under the auspices of the Conventions, per GEF's responsibility as a financial mechanism to the Conventions and under existing Memoranda of Understanding. The Secretariat will also follow ongoing multilateral negotiations on topics of GEF relevance and provide information as requested. It also is reflected in the high priority work on Enabling Activities, to support full engagement of countries in the work and advancement of the Conventions and their goals and obligations.

109. Cooperation with other funding mechanisms; GEF "family of funds". The work in FY25 will also include priority efforts on cooperation between the GEF and the GCF, as agreed in the Long-Term Vision on Complementarity, Coherence, and Collaboration between the GCF and GEF (noted above). The Secretariat will also advance important work of cooperation and synergies within the GEF "family of funds", including the LDCE/SCCF, CBIT, GBFF, and with the Adaptation Fund. The Replenishment and the inter-related nature of the challenges we face underscore the importance of these efforts, to achieve full complementarity of actions for highest results.

**(c) Engagement with GEF Partner Agencies**

110. In line with the Replenishment, for FY25 this will include the following priority actions and deliverables.

111. Streamlining and operational efficiency. As noted above, the Secretariat is working as a matter of high priority to identify opportunities to streamline operations, to simplify and speed up projects and their implementation, and make the GEF as user-friendly as possible to the partnership, aligned with GEF policies and high quality.

112. The work to establish the new Kunming-Montreal GBF Fund provides another important and ongoing opportunity to advance this effort. The Secretariat is putting a priority focus to identify opportunities for innovation and efficiency in the establishment of this new fund, and to pilot and learn from these experiences in the future work under the GEF Trust Fund and broader family of funds as noted above.

113. Cooperation and coordination for higher results. Related to the above, the engagement with Partner Agencies will put priority on facilitating cooperation, coordination, communication, sharing of information and capacity-building where needed to support strong and efficient implementation of the GEF-8 programming and policy agenda and mandates.

114. As in the past, this will include active dialogue at all levels on programming, policy and operations, and communications, through periodic meetings and video-calls, Retreats and Introductory Seminars for new Agency personnel to build understanding and familiarity with the work of the GEF and opportunities for higher impact, taking full advantage of digital connection technology according to situation.

115. It will also include engagement of GEF Partner Agencies in country and stakeholder engagement activities (noted below). Operational platforms such as the GEF Portal will continue to be updated to integrate programming and policy elements of the GEF-8 agenda, as a practical means to further support implementation of the GEF-8 agenda.

#### **(d) Country Engagement Strategy**

116. In line with the Replenishment and building on the Decision of GEF Council at its 62<sup>nd</sup> session in December 2022, this will include the following priority actions and deliverables in FY25.

117. Enhanced and expanded action to engage civil society and key stakeholders. The new Country Engagement Strategy (CES), adopted by Council in December 2022, provides a strong and expanded foundation to support and implement the GEF-8 agenda, build greater capacity, and empower recipient country governments, OFPs and all stakeholders to engage in and support the mandate of the GEF. The Secretariat reported to Council last December 2023 on progress in implementing the CES. The Secretariat will continue its active implementation of the updated goals and budget lines of the CES for these key partnership objectives, through enhanced dialogue and engagement with civil society, indigenous peoples, private sector and other partners and stakeholders at all levels.

118. Enhanced capacity building. Related to this, there is a continued priority focus on enhanced capacity building as part of the work of the new CES. This will include expanded action

to empower and support OFPs and recipient governments in the core work of the partnership, including on programming and use of available GEF funds, in choosing among partner agencies for their proposed projects, and on policy and project implementation. It will put a focus on expanding opportunities for South-South and country-based dialogue to share lessons, information and experience across countries, regions and stakeholders, and to multiply avenues for capacity support. The Secretariat will continue these efforts in a variety of levels, including through national dialogues, expanded constituency workshops, introduction seminars, and other ways, to enhance capacity and strengthen the partnership.

119. Support for a strong enabling environment and policy coherence. Consistent with country priorities and choice, there will be a continued focus on efforts to support institutional and policy-related enabling environments at the national level, and opportunities to achieve greater policy coherence, in support of higher results from GEF-funded investments.

120. The Secretariat will continue this work as set out in the document on Policy Coherence presented to Council in September 2023, learning the lessons from GEF programming and the range of experience in the partnership. Through the Country Engagement Strategy and other platforms, the Secretariat will also support focused dialogue and south-south exchange of lessons, information and capacity-building to provide and facilitate opportunities and progress in these areas. This will include actions to facilitate effective and integrated engagement in the work of the GEF at the country level, including through the use of National Steering Committees to support the work and engagement of GEF Operational Focal Points (OFPs), as considered appropriate at the national level.

121. Support for civil society participation. As in the past two years, the Secretariat will continue its engagement and specific funding support line for civil society. This includes continued support for civil society participation in meetings of GEF governing bodies and the Country Support Program, in accord with the Updated Vision for Engagement with Civil Society, GEF Policy, and the GEF-8 Replenishment.

122. As called for in the GEF8 agenda and new GEF Country Engagement Strategy (CES), the GEF is also well positioned to catalyze deeper engagement with civil society. The new Partnerships Division of the GEF Secretariat, as part of its restructuring, is leading enhanced engagement and partnership initiatives with civil society in the context of the GEF-8 cycle and the CES. There have also been investments with partners and through the Country Engagement Strategy to support participation in COPs and related meetings and build capacity for effective participation.

123. Building on this and other initiatives, leading up to GEF-9 the GEF will work to put in motion systems for a substantial increase in financing dedicated to non-state actors of total GEF financing. To achieve this objective, a more systematic and coordinated approach to ramp up engagement with civil society stakeholders including youth, women and IPLCs.

124. Knowledge and Learning. The Secretariat will continue its wide-ranging efforts in this key area of work under the new Strategy on Knowledge and Learning approved by Council in

September 2023. This will be done in close consultation with partners and stakeholders, to build on and leverage the knowledge assets of the partnership in support of better and stronger projects and the overall GEF-8 ambition.

**(e) Outreach, Communication and Awareness-Building**

125. In line with the Replenishment, for FY25 this will include the following priority actions and deliverables.

126. Information and Updates on Partnership work. As in the past, these will be provided through the GEF website, digital media, publications, and other strategic communication activities involving the GEF's partners. Also, direct feeds of project portfolio information from the GEF Portal to the website, as well as through the platform of the new CES and CSP.

127. Building visibility of the GEF and ways to make a difference for the global environment. The Secretariat will further raise the visibility of the GEF, and, will focus this work to implement the new Visibility Policy for the GEF adopted by GEF Council. The work will put an emphasis on building awareness of what the GEF is and does, and the environmental issues and challenges and the significant opportunities to address them through the work of the partnership. It will build on experience in GEF programming and provide opportunities for higher focus and ambition on the environmental agenda at national and regional levels, in support of national priorities and the global environment.

128. Supporting major events and initiatives, including the GEF Seventh Assembly. The work on outreach and communication will also support visibility and action associated with major meetings, events, and reports in the upcoming year, including priority partner communication campaigns in support of the GEF8 strategy and following on from the GEF Assembly last August 2023 in Vancouver.

**(f) Accountability, Integrity, and Transparency**

129. In line with the Replenishment, for FY25 this will continue to include the following priority actions and deliverables.

130. Implementation of GEF Policies on monitoring and accountability. This involves expanded action on portfolio management and oversight, including under GEF Policies on Project Monitoring, Fiduciary Standards, Environmental and Social Safeguards, Gender Equality, Stakeholder Engagement, and Monitoring Agency Compliance. It also includes facilitation of actions across the Partnership to respond effectively and well to complaints and concerns from affected people and local communities, to support better projects and implementation going forward and proactive response to prevent issues that arise from growing into larger problems.

131. Coordination with Agencies, Trustee and Stakeholders, Building Awareness. This includes continuing actions to ensure full transparency of GEF's work as required by the GEF Instrument and GEF policies, as well as independent and effective avenues of recourse for affected people

to voice concerns and obtain appropriate responsive action - for accountability, transparency, and higher results.

**(f) Data and Systems Development and Management**

132. In line with the Replenishment, for FY25 this will include the following priority actions and deliverables.

133. Continued advanced development of GEF Portal and other IT-based platforms. This includes the ongoing work to update and simplify Portal fields and templates in line with broader underlying efforts to streamline GEF programming, policies and operations as set out in the GEF Reform. This also includes actions to promote ease of access to real-time reports on the project portfolio, geo-location information and dashboard data on the portfolio.

134. In addition, this workstream includes action to tailor the Portal for use as part of the Kunming-Montreal GBF Fund, to extend advanced Portal functionalities to a larger set of users, and to explore opportunities to leverage the functionality of the Portal to support the new GEF-8 Strategy for Knowledge and Learning. As part of the restructuring and GEF Reform, there will be focused systematic attention to ensure optimal efficiency and effectiveness across all office and IT systems supporting the work of the partnership.

## STAP FY25 BUDGET REQUEST, ACTIVITIES AND OUTPUTS

135. In FY24, STAP continues to provide scientific and technical advice to support the work of the GEF Partnership, including on the following topics:

- **Agrivoltaics:** a paper presenting the benefits of implementing agrivoltaics technology, possible drawbacks, technical considerations, barriers, and challenges to implementation, especially in the global south, and the needed enablers for successful adoption and scale-up.
- **Ecosystem-based approaches for watershed management:** a summary of definitions, tools, and guidelines on ecosystem-based management to support consistent understanding and implementation.
- **Alternative livelihoods:** A paper that reviews the effectiveness of alternative livelihoods and provides actionable advice on how to improve its use in GEF investments.
- **Information note #1 on blended finance:** a paper that discussed the need for a more systematic classification of blended finance interventions to ensure the delivery of GEBs and identified four issues to frame an agenda for further investigation in the context of the GEF.
- **Environmental security:** a brief that highlights ways in which GEF agencies can increase the likelihood of achieving durable GEBs when operating in fragile and conflict-affected situations (FCS) through effective program and project design and outlines opportunities at a systemic level to strengthen GEF engagement in FCS and increase the likelihood that its investments achieve enduring GEBs.
- **Citizen Science:** a background note illustrating the benefits and opportunities to the GEF of enhancing public engagement through citizen science.
- **Adaptation benefits in GEF Trust Fund projects:** a review of potential adaptation benefits that can emanate from GEF Trust Fund projects and advice on ensuring and accounting for these benefits through better project design.
- **Information note #2 on blended finance:** a paper building on information note #1, providing advice on how to better design the theory of change of blended finance projects and proposing criteria for selecting blended finance investments.
- **Water security:** a paper outlining a conceptual framework for thinking about the linkages between transboundary water resources and conflict or cooperation and identifies areas for further action to support GEF efforts to deliver, track, and communicate the environmental, socioeconomic, and cooperation benefits of strengthened support for international waters.

136. Furthermore, STAP screened all full-sized projects, integrated programs, and other programs in the February and June 2024 GEF Trust Fund work programs.

137. In addition, STAP also undertook several activities in FY24, including:

- Organized a STAP Science Day event at the 7<sup>th</sup> GEF Assembly in Vancouver, Canada



- Participated as speakers, panelists, and moderators in several events at the 7<sup>th</sup> GEF Assembly
- Participated in the GEF Risk Appetite Working Group
- Participated in a GEF learning mission to Indonesia.
- Participated and made presentations at several GEF Secretariat-organized events.
- Provided input to several IEO evaluations.
- Participated in the GEF IEO conference.

138. Lastly, as part of developing its “Initial Perspective on GEF-9,” STAP organized consultations with the scientific community in FY24 to discuss the state of science, emerging evidence, and the implications of current global trends for GEF strategy and programming.

**Future work:**

139. STAP will continue its consultations on GEF-9 and will provide its initial perspective before the replenishment begins. STAP will also continue to support the Integrated Programs and engage with the GEF Council, IEO, Secretariat, and Agencies to provide high-quality scientific and technical advice that is relevant, timely, and meets the GEF’s needs. It will also continue to screen all full-sized GEF Trust Fund projects.

140. The tables below summarize STAP’s FY25 budget request. STAP work program activities for FY24 have been implemented within the approved budget. Figures for FY24 expenditures are estimates, as final audited results are not yet available.

**Table 3: FY25 STAP Budget Request (in US\$ million)**

| <b>STAP – Secretariat Expense Category</b>  | <b>FY24 Budget \$millions</b> | <b>FY24 Estimated expenditures* \$millions</b> | <b>FY25 Request \$millions</b> |
|---|-------------------------------|--|--------------------------------|
| <b>Staff Costs</b>  |                               |  |                                |
| Salaries and Benefits   | 1.574                         | 1.587  | 1.412                          |
| Travel  | 0.157                         | 0.141  | 0.160                          |
|   |                               |  |                                |
| Consultant Costs, Implementing Partners   | 0.225                         | 0.203  | 0.418                          |
| Panel Members/Senior Advisers Honoraria   | 0.630                         | 0.567  | 0.618                          |
| Travel  | 0.239                         | 0.215  | 0.170                          |
|   |                               |  |                                |
| <b>General Operating Costs and Procurement</b>  |                               |  |                                |
| Office space, equipment, printing/design, communications, supplies, corporate services, meeting procurement | 0.310                         | 0.279  | 0.360                          |
| <b>TOTAL</b>  | <b>3.135</b>                  | <b>2.992</b>                                   | <b>3.138</b>                   |

\*Audited figures not yet available

## TRUSTEE FY25 BUDGET REQUEST, ACTIVITIES AND OUTPUTS

141. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

142. According to Annex B of the Instrument for the Establishment of the Restructured Global Environment Facility (in paragraph 8), the “reasonable expenses incurred by the Trustee for the administration of the Fund and for expenses incurred in administratively supporting the Secretariat” are reimbursed annually, on the basis of estimated cost, subject to end-of-year adjustment. At its June 2007 meeting, the GEF Council approved the methodology for reimbursement of the Trustee’s costs and expenses as follows: The Trustee presents its projected budget for the coming fiscal year based on the expected work program and associated staff costs and expenses and receives an allocation from the GEF trust fund at the end of each fiscal year. The Trustee reports the actual staff costs and expenses incurred to the Council and reconciles this amount with the provided allocation.

143. In June 2023, Council approved a core budget of \$3.41 million for FY24 to cover Trustee’s standard services, excluding the cost of external audit of the GEF Trust Fund. The Trustee estimated the expenses for its core services in FY24 will be \$3.53 million, reflecting an increase of \$118,000 compared to the approved budget. The budget increase mainly arose from (i) the increase of investment management fees (\$96,000), which is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund and (ii) increase in legal costs (\$28,000) attributable to amendment to the GEF Instrument.

### Trustee FY25 GEF Trust Fund Budget

144. In addition to standard trustee services, the FY25 work program will include the following items:

- (a) Implement the GEF-8 replenishment resolution, including collaborating with donors to deposit their Instruments of Commitments, and facilitate full effectiveness of GEF-8 replenishment resolution;
- (a) Ensure compliance with the provision of GEF-8 replenishment resolution, and mobilize installment payments for GEF-8;
- (b) Continue the on-going negotiations to revise and update the Financial Procedures Agreements (FPA) with the GEF Agencies;
- (c) Ensure compliance with approved Council decisions such as those contained in the Policy Measures to Enhance Operational Efficiency, Accountability and Transparency;

- (d) Ensure Agencies' compliance with their FPAs including periodic financial reports related to their implementation of GEF-financed activities;
- (e) Provide administrative support to the GEF Secretariat in implementing policies approved by the Council; and
- (f) Coordinate and prepare for the GEF-9 replenishment. This includes collaborating with the Secretariat on logistical arrangements, co-chairing of the first replenishment meeting, preparation of papers, and consultations with donors.

145. The estimate of the Trustee's core budget for FY25 amounts to \$3.86 million as shown in Table 4 below. This represents an increase of \$204,000 compared to the FY24 expected actual fees, primarily due to increased investment management fees and increased Trustee services to implement the GEF-8 work program. In addition to the core budget, the FY25 proposed budget includes a Special Initiative of US\$60,000 to cover the cost of activities for the first meeting of GEF-9 replenishment as mentioned in item (f) above. The increase in investment management fees arose from projected higher average annual balance of undisbursed cash in the trust fund. The actual investment management fees may vary depending on the actual average liquidity level during FY25.

**Table 4: Proposed Trustee Budget for GEF Trust Fund (FY25)  
(in USD)**

| <b>Trustee Services</b>   | <b>FY24 Approved Budget</b> | <b>FY24 Expected Actual</b> | <b>FY25 Proposed Budget</b> |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>Standard Services</b>  |                             |                             |                             |
| Financial Management and Relationship Management  | 1,263,000                   | 1,263,000                   | 1,325,000                   |
| Investment Management <sup>a/</sup>   | 1,889,000                   | 1,985,000                   | 2,152,000                   |
| Accounting and Reporting  | 138,000                     | 132,000                     | 142,000                     |
| Legal Services  | 122,000                     | 150,000                     | 125,000                     |
| <b>Sub-total, Standard Services</b>   | <b>3,412,000</b>            | <b>3,530,000</b>            | <b>3,744,000</b>            |
| External Audit of Trust Fund  | 120,000                     | 130,000                     | 120,000                     |
| <b>Total Core Budget</b>  | <b>3,532,000</b>            | <b>3,660,000</b>            | <b>3,864,000</b>            |
| Special Initiatives - Replenishment   |                             | -                           | 60,000                      |
| <b>Total Costs, including Special Initiatives</b>   | <b>3,532,000</b>            | <b>3,660,000</b>            | <b>3,924,000</b>            |
| <i>a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.</i> |                             |                             |                             |

## NAGOYA PROTOCOL IMPLEMENTATION FUND FY25 BUDGET REQUEST, ACTIVITIES AND OUTPUTS

### Secretariat NPIF Activities in FY24

146. The 46<sup>th</sup> GEF Council in May 2014 took note of the GEF Secretariat's good progress in managing the NPIF. The operation of the NPIF was extended to December 31, 2020, for operational reasons to allow continued project preparation and implementation of projects for which a Project Identification Form (PIF) had already been approved.

147. Because all NPIF funds have been allocated to projects, there have been no new approvals since June 30, 2014. This is also consistent with the GEF Council decision on the NPIF from May 2011, not to approve new PIFs after that date.

148. As of the present date, all projects have completed project implementation, with only one project remaining to be financially closed.

149. During FY24, the Secretariat did not conduct any travel to support portfolio management. This is shown in Table 5, below.

### Secretariat NPIF Activities and Budget for FY 25

150. GEF Secretariat will work with the GEF Agencies to carry out the remaining aspects of portfolio management of the NPIF. This will include the preparation of a short report on the NPIF results to the GEF Council, to the CBD COP and to the COP-MOP serving as the Meeting of the Parties to the Nagoya Protocol on Access and Benefit Sharing. To cover this work, as reflected in Table 6, the GEF Secretariat requests an administrative budget of US\$17,500.

**Table 5: Secretariat FY 24 Budget Execution and FY25 Budget Request from NPIF (in US\$)**

| GEF Entities and Budget Items     | FY24 Approved Budget | FY24 Projected Actual | FY25 Budget Request |
|-----------------------------------|----------------------|-----------------------|---------------------|
| Staff Costs (Salaries & Benefits) | 10,000               | 0                     | 10,000              |
| Travel                            | 3,500                | 0                     | 7,500               |
| <b>Total</b>                      | <b>13,500</b>        | <b>0</b>              | <b>17,500</b>       |

### Trustee FY25 NPIF Budget

151. As agreed with NPIF donors under the relevant Trust Fund Administration Agreements, the Trustee receives an annual administrative fee to cover the reasonable actual expenses incurred by the Trustee in carrying out its function for the NPIF.

152. The core elements of the Trustee's work program in FY25 include: (i) financial and investment management of resources, (ii) accounting and reporting for the financial and

operational activities of the NPIF, and (iii) preparations to wind up of the NPIF Trust Fund to include following up on disposition of any remaining funds, receipts, assets or liabilities of the trust fund. Table 6 below shows the breakdown of the Trustee fee by services provided to the NPIF.

Table 6: NPIF: Budgetary Requirements for Services Provided by the Trustee (in USD)

| Trustee Services   | FY24 Approved Budget | FY24 Expected Actual | FY25 Proposed Budget |
|--|----------------------|----------------------|----------------------|
| Financial Management and Relationship Management   | 2,600                | 2,600                | 2,600                |
| Investment Management a/   | 400                  | 400                  | 200                  |
| Accounting and Reporting   | 1,900                | 1,900                | 1,900                |
| Legal Services   | -                    | -                    | -                    |
| <b>Total Costs</b>   | <b>4,900</b>         | <b>4,900</b>         | <b>4,700</b>         |
| a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund. |                      |                      |                      |

153. The FY24 fees for Trustee services are expected to be \$4,900, in line with the approved budget of \$4,900.

154. To cover its expenses for FY25, the Trustee requests a budget of \$4,700 which is lower by \$200 than the FY24 estimated actual fee. This is on account of an anticipated reduction in average liquidity balance due to disposition of any remaining funds to donors. Fees for financial management, accounting and reporting, and legal services are expected to remain at the same level. Actual investment management fees may vary depending on the actual average liquidity level during FY25.

#### **CBIT TRUST FUND FY24 BUDGET REQUEST, ACTIVITIES AND OUTPUTS**

155. The GEF Secretariat requests \$0.412 million from the CBIT Trust Fund to support its activities to administer the portfolio of CBIT projects supported by the CBIT Trust Fund.<sup>43</sup> The Trustee requests \$0.022 million for its work. The total FY25 budget request from the CBIT Trust Fund is \$0.434 million. These figures are presented in the table below.

<sup>43</sup> The Replenishment negotiation decided that the cost to administer this existing stock of CBIT projects would be drawn from the CBIT Trust Fund. See GEF Resource and Allocation Targets, Fourth Meeting of GEF-7 Replenishment, Stockholm, April 25, 2018, Note 11.

156. To enable continuation of implementation of the existing stock of 44 CBIT projects, activities and programs already approved prior to October 31, 2018 by the CBIT Trust Fund,<sup>44</sup> commitments and cash transfers are made until five years after the respective approval date, which is October 31, 2023. Resources have been set aside to cover CBIT Trust Fund administrative costs until the date of the trust fund termination, which will be 18 months after the final Trustee commitment and cash transfer date (currently April 30, 2025). The proposed budget draws from the set aside resources of the CBIT Trust Fund.

**Table 7. FY25 Budget Request from CBIT Trust Fund (US\$)**

| <b>GEF Entities and Budget Items</b>   | <b>FY24 Approved Budget</b> | <b>FY24 Projected Actual</b> | <b>FY25 Budget Request and Difference</b> |               |
|--|-----------------------------|------------------------------|---|---------------|
| Secretariat CBIT Administrative Budget | 412,000                     | 289,299                      | 412,000                                   | 0.0%          |
| Trustee CBIT Administrative Budget     | 24,000                      | 21,000                       | 22,000                                    | -8.33%        |
| <b>Total</b>                           | <b>436,000</b>              | <b>310,299</b>               | <b>434,000</b>                            | <b>-0.46%</b> |

#### **Secretariat CBIT Activities in FY24**

157. During this reporting period, the efforts by the GEF Secretariat to carry out tasks associated with the CBIT and its portfolio management intensified, including a major global forum organization, monitoring, consultations with countries and Agencies, reporting to UNFCCC, and participation in various engagements. The enhanced engagement reflects the year 2024 as the seminal year for transparency for the Paris Agreement, with the deadline for submissions of the first biennial transparency reports (BTR) in December 2024.

158. As of May 1, 2024, 28 projects out of the 44 approved under the CBIT Trust Fund are in the implementation phase, while 16 projects have been completed. The Progress Report on the CBIT continued to be presented to every Council, as an information document.<sup>45, 46</sup>

159. A major activity in the reporting period has been the organization of the Global Transparency Forum and associated meetings, which took place in Tokyo, Japan, the week of May 20, 2024. The meeting was jointly organized by the GEF, UNDP, UNEP, the CBIT-Global Support Program among others, and hosted by the Government of Japan. Approximately 180 participants from over 100 countries attended, with high-level participation from the COP 29 Azerbaijan

<sup>44</sup> The Council, at its 54<sup>th</sup> meeting in June 2018, decided to extend the deadline to receive CBIT Trust Fund contributions and project approval until October 31, 2018, in order to accommodate additional voluntary contributions.

<sup>45</sup> GEF, 2023, [Progress Report on the Capacity-building Initiative for Transparency](#), Council Document GEF/C.66/Inf.14.

<sup>46</sup> GEF, 2024, [Progress Report on the Capacity-building Initiative for Transparency](#), Council Document GEF/C.67/Inf.06.

presidency, COP 28 United Arab Emirates (UAE) presidency, and COP 30 Brazilian presidency, along with UNFCCC, IPCC, and other partners. The high level of interest and participation at senior levels is reflective of the importance of the transparency agenda in 2024.

160. The Forum provided a timely and strategic opportunity to recognize progress made on enhancing transparency and associated capacity at the global and national levels and build momentum for the timely implementation of the enhanced transparency framework (ETF) for the Paris Agreement. The Forum enabled discussions and building of shared understanding on how transparency support to countries can be further enhanced and coordinated, also in light of the ongoing Nationally Determined Contribution (NDC) update process.

161. The Secretariat also held various consultations, including with the COP 29 presidency, donors, and Agencies during the Forum.

163. Efforts to raise awareness was intensified. A video that provides an overview of the CBIT was produced, and was shown in the plenary of the Global Transparency Forum and featured prominently on the GEF website.<sup>47</sup> The CBIT web page was updated, and a story of CBIT was featured on the landing page of the GEF website in late May, 2024.<sup>48</sup>

164. As reported in the CBIT Progress Reports, the GEF continues to actively engage and coordinate with existing and emerging transparency initiatives to help implement the CBIT, including the Initiative for Climate Action Transparency (ICAT), the Coalition on Paris Agreement Capacity Building, the Partnership on Transparency in the Paris Agreement (PATPA), the NDC Partnership, and other entities engaged in enhancing transparency.

165. The GEF Secretariat staff engaged in various capacity-building, awareness-raising, outreach, and knowledge-sharing opportunities, including the following:

- (a) Regional Workshop on M&E for capacity-building adaptation measures for the Hispanic Latin America and the Caribbean Network of the CBIT-GSP on July 26, 2023.
- (b) Introduction Webinars to the Climate Transparency Platform for CBIT-GSP Networks: Anglophone Africa and Hispanic Latin America and the Caribbean on August 23, 2023, Asia on August 24, 2023, Eurasia on August 25, 2023, and Pacific on September 15, 2023.
- (c) Introductory Webinar on the Climate Transparency Platform for Agencies and Support Organizations of the CBIT-GSP on October 11, 2023.
- (d) First Cross-Regional Technical Workshop of the Lusophone Cluster and Francophone Network: NDC Tracking for Mitigation, Adaptation, and Means of Implementation, on October 20, 2023.
- (e) Launch of the CBIT Global Support Programme for the Eurasia Network, November 7, 2023, virtual event.

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<sup>47</sup> The CBIT video can be accessed from the GEF website from [this link](#).

<sup>48</sup> The CBIT website can be accessed from [this link](#).

- (f) CBIT Global Support Programme, Project Steering Committee Meeting, November 14, 2023, virtual event.
- (g) Launch of the CBIT Global Support Programme for the Lusophone Cluster, November 22, 2023, virtual event.
- (h) COP28 GEF support event "Unlocking Enhanced GEF Support for Transparency: Streamlining funding processes and enhancing project implementation", December 5, 2023, Dubai, UAE.
- (i) COP 28 Paris Committee on Capacity-Building (PCCB) event "Fostering South-South Learning: The example from the multilateral collaboration between Cuba, Chile, and Panama under the Capacity-building Initiative for Transparency- Global Support Programme", South-South Capacities Day, December 8, 2023, Dubai, UAE.
- (j) UNFCCC Meeting: NDC 3.0 event "Preparing the next round of NDCs," March 4 and 5, 2024, Bonn, Germany.
- (k) Support ecosystem for next round of Nationally Determined Contributions (NDCs) for the Latin America region (March 26, 2024), Sub-Saharan Africa (March 27, 2024), and the Caribbean (March 28, 2024), virtual events.

166. The Secretariat is confirmed to participate in deliberations and mandated events on ETF at the June 2024 UNFCCC Subsidiary Body meetings.

167. The Secretariat's FY24 expenses under the CBIT Trust Fund are projected at \$310,299, as shown in the table above. The increase in expenses, within the approved budget, reflects intensified activities and Secretariat engagement in the lead-up to the first deadline of the BTR submissions. Such higher level of engagement is expected to continue in FY25.

#### Secretariat CBIT Activities and Budget for FY25

168. CBIT activities has attracted even more significant attention within the UNFCCC process, with a sense of urgency among countries. A renewed interest in CBIT from developing countries is expressed to help strengthen the institutional and technical capacities to meet the ETF requirements.

169. There is a growing demand and need to facilitate sharing of experiences, tools and metrics, and articulation of systems needs, which need to be informed by more advanced and completed projects supported by the CBIT Trust Fund, complemented by the newer portfolio supported by the GEF Trust Fund. This demand is expected to materialize in various in-person engagements in FY25.

170. There is also an increased need for the portfolio level analysis of CBIT projects and their linkages to the BUR and BTR support and project implementation to help inform the UNFCCC deliberations.



171. In light of the above, the GEF Secretariat expects high needs and demands for CBIT-related activities and GEF engagement to undertake in FY25.

172. Specifically, the Secretariat will engage in various efforts to highlight the contributions of the CBIT as a major component of the transparency framework, and support the expected deliberations and exchanges in the period leading up to COP 29 and beyond. The Secretariat will also liaise with the COP 29 presidency and UNFCCC on planning and support for, and engagement in, dialogues, meetings, and product development related to transparency.

173. The Secretariat will continue to support the implementation of the existing portfolio of CBIT projects. The entire portfolio of CBIT projects supported by the CBIT Trust Fund has reached the implementation phase, and more projects are slated to reach project completion in FY25 as anticipated. The Secretariat will undertake monitoring and review functions of these projects under implementation in collaboration with the GEF Agencies, and produce summaries. The Secretariat will also consult with the Trustee on the trust fund deadlines and take measures as appropriate.

174. Regular reporting on the CBIT progress and results to the GEF Council, UNFCCC bodies, coordination with partners will continue, with additional focus on results achieved, mobilization of resources, implementation progress and lessons learned, sharing of experiences, and further articulating the role and contributions of CBIT for the BTR preparations and NDC updating.

175. Follow-up activities to the Global Transparency Forum, including the exploration of next Global Forum, will be carried out. The GEF will continue to facilitate coordination with partners, respond to donor inquiries, and engage with the UNFCCC process and relevant meetings on transparency. Also, the GEF Secretariat will develop and disseminate targeted communication products on the CBIT and good practices, engage in webinars and events to share results and insights, and partner with major multilateral and bilateral transparency initiatives.

176. To carry out these functions, the GEF Secretariat requests a FY25 budget of \$412,000 from the CBIT Trust Fund. The request is at the same level as the FY23 and FY 24 requests. The budget will cover staff and consultancy costs, and travel. As no staff is hired under the CBIT Trust Fund, staff cost enables existing GEF Secretariat staff to allocate part of their time to work on matters related to CBIT Trust Fund, also supported by consultancy. A breakdown of these costs is shown in the table below.

**Table 8: Secretariat FY24 Budget Execution and FY25 Budget Request from the CBIT Trust Fund (US\$)**

| GEF Entities and Budget Items     | FY24 Approved Budget | FY24 Projected Actual | FY24 Budget Request and Difference |             |
|-----------------------------------|----------------------|-----------------------|------------------------------------|-------------|
| Staff Costs (Salaries & Benefits) | 180,000              | 134,501               | 180,000                            | 0.0%        |
| Travel                            | 22,000               | 22,000                | 22,000                             | 0.0%        |
| Consultant Costs                  | 180,000              | 102,739               | 180,000                            | 0.0%        |
| IT systems (Portal)               | 30,000               | 30,000                | 30,000                             | 0.0%        |
| <b>Total</b>                      | <b>412,000</b>       | <b>289,299</b>        | <b>412,000</b>                     | <b>0.0%</b> |

**FY25 Trustee Administrative Fees: Capacity Building Initiative for Transparency**

177. As agreed with the donors under the Trust Fund Administration Agreements, the Trustee receives an annual administrative fee to cover the reasonable actual expenses incurred by the Trustee in carrying out the Trustee function for the CBIT.

178. The core elements of the Trustee’s work program during FY24 and FY25 include: (i) management of donor contributions; (ii) financial and investment management of resources; (iii) commitments and fund transfers to the GEF Agencies; (iv) infrastructure and systems support; and (v) accounting and reporting for the financial and operational activities of the CBIT. Table 9 below shows the breakdown of the Trustee fee by services provided to the CBIT.

**Table 9: CBIT: Budgetary Requirements for Services Provided by the Trustee (in USD)**

| Trustee Services   | FY24 Approved | FY24 Expected Actual | FY25 Proposed Budget |
|--|---------------|----------------------|----------------------|
| Financial Management and Relationship Management   | 14,000        | 14,000               | 14,000               |
| Investment Management a/   | 8,000         | 5,000                | 4,000                |
| Accounting and Reporting   | 2,000         | 2,000                | 4,000                |
| Legal Services   | -             | -                    | -                    |
| <b>Total Costs</b>   | <b>24,000</b> | <b>21,000</b>        | <b>22,000</b>        |
| a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund. |               |                      |                      |

179. The fees for Trustee services for FY24 will be \$21,000. These fees are \$3,000 less than FY24 approved budget mainly due to decreased investment management fees. The actual

average liquidity balance for CBIT of \$11 million for FY24 was lower than the projected balance of \$18 million which led to less than budgeted investment management fees.

180. To cover its expenses for FY25 related to the above work program, the Trustee requests a budget of \$22,000 which is \$1,000 more than FY24 expected actuals, to reflect the winding down of CBIT activities. The actual investment management fees will vary depending on the actual average liquidity level during FY25.

## ANNEX I: EXCERPTS OF GEF COUNCIL DECISION (JUNE 2023) AND GEF ANALYSIS - INDIRECT CHARGE

### Box 1: Excerpts of GEF Council Decision, 64<sup>th</sup> Session, June 2023 (from Summary of Co-Chairs)

...

9. *The Council decides that, in the context of the Secretariat's analysis, the level of 11% indirect charge as set out in this document is the upper limit for the GEF, provided that the World Bank provides a sufficient justification for this level, and otherwise may be adjusted to the level of 7%.*

10. *The Council requests the World Bank to provide a written report setting out the justification and basis for the proposed increase in indirect costs by no later than 30 September 2023, preferably earlier if possible, and attend a subsequent Council meeting to enable a discussion with Council on the matter.*

11. *The Council requests the Secretariat to report to Council on the status of the abovementioned elements of this Decision on office space and indirect charge.*

12. *The Council requests the Secretariat, in consultation with STAP and the Trustee, to present a combined FY25 corporate budget and business plan for discussion at its June 2024 meeting.*

### Box 2: Excerpts of GEF Secretariat Analysis presented to GEF Council in June 2023

(Overview) . . .

19. Per GEF governance, the fixed and variable administrative costs of the GEF Secretariat are paid for from the GEF Trust Fund, based on budgets approved annually by GEF Council. This covers most administrative items covered in the World Bank indirect charge rate for other World Bank units, but not applicable to GEF (see Annex I).<sup>49</sup>

20. As reflected in these annual budgets, GEF also receives certain much appreciated administrative support from the World Bank. The GEF has a long-established approach to pay directly for this support, worked out cooperatively with the World Bank in line with GEF governance and business needs, in an amount of approximately \$1.3 million per year.<sup>50</sup> The World Bank budget unit, however, is now proposing that GEF pay an amount of \$7

<sup>49</sup> These include development finance, external and corporate relations, strategy and performance, audits, and others, in addition to office space, IT equipment and systems tailored to GEF business needs, services of the Trustee, and an Agency fee of 9.5% of total project amounts (averaging nearly US\$8 million per year for the World Bank from 2014 – 2021) to cover its costs as a GEF Partner Implementing Agency. See Annex I for further details.

<sup>50</sup> The amount varies per year as it is on a payment-for-service basis. It has increased in the past two years, for example, with higher costs of the Basic IT package (see below). The amount is allocated between GEF Secretariat,

million per year,<sup>51</sup> based on an indirect charge rate of 18% of total administrative costs (direct and indirect) or 22.6% of direct costs.

21. The analysis of the GEF Secretariat, IEO and AF Secretariat presented to the World Bank indicates that this proposal is based on an inappropriate methodology that does not fit GEF governance and business needs and would result in a significant overcharge to the GEF Trust Fund – for some services multiples higher based on data and experience (see Annex I).<sup>52</sup> The impact on GEF work and funding would be very large, undercutting the needed capacity to deliver the ambitious GEF-8 agenda and even country allocations in GEF-8.

(Annex) . . .

16. The Secretariat has also pointed out the benefits that GEF provides to the World Bank, including its operational units. During GEF-7, the World Bank’s operational units received about 16% of the GEF’s resources, amounting to some US\$512 million in funding to enable blended approaches and make Bank operations more relevant and attractive to the Bank’s clients.<sup>53</sup>

17. World Bank Policy on Trust Funds calls for “*taking into account benefits*” of the Trust Funds (like the GEF) in determining cost recovery rate.<sup>54</sup> The Secretariat is concerned that these benefits of the GEF to the work and mission of the World Bank, and the significant administrative costs paid by the GEF Trust Fund to help realize these benefits, do not appear to have been taken into consideration in the proposal of the Bank’s budget administration unit.

18. At the same time, there are certain administrative services provided by the WB that the Secretariat does not pay for currently, which it has readily acknowledged and included in its analysis. These include Health and Safety, Security Services, Internal Justice System, certain types of support provided by HR, and support for various transactions.

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GEF IEO, and the AF Secretariat on a 70-20-10 ratio, reflecting relative size and uses of the three offices. The payments are made by direct payment and chargebacks for support in specific areas, including budget, legal, and IT (Basic-Optional Package), paid from the GEF family of Trust Funds. For the Secretariat, it is reflected in the cost lines on cross support and IT systems. See also discussion below and Annex I.

<sup>51</sup> This amount is calculated in FY21 values and would be higher today. It applies to the GEF Secretariat, GEF Independent Evaluation Office, and the Adaptation Fund Secretariat (treated collectively by the WB).

<sup>52</sup> The Secretariat’s analysis indicated that a 7% charge would be appropriate, based on these and other considerations and information, in line with GEF’s unique governance, situation and business needs. See Annex I.

<sup>53</sup> This grant funding helps WB member countries achieve environmental benefits that align with and support the broader WB goals and mission and WB objectives in climate change, biodiversity, blue economy, and other work areas of priority to the WB.

<sup>54</sup> Section III.5.f (also annexed to related WB Board document on Trust Fund Policy Reform).

## ANNEX II: SPECIAL INITIATIVES

1. The discussion below reports on activities conducted under Special Initiatives approved by Council. Table 11 provides a summary of the originally approved amount in the Special Initiative account, estimated FY24 expenses in the respective accounts, where incurred, and the available balance remaining under these initiatives through end-March 2023. The text which follows provides additional information on the establishment and purpose of each Special Initiative, and activities to be supported in FY25 under the one remaining Special Initiative with an available balance.

**Table 10: Special Initiatives (in US\$ million)**

| Special Initiative Name              | Available at July 1, 2014 (Beginning of GEF-6) | Expenses FY14-FY21 | FY22 / FY23/ FY24 Expenses | Estimated Available Balance for FY25 |
|--------------------------------------|--|--------------------|----------------------------|--------------------------------------|
| Performance Based Allocation System* | 1.356  | 1.293              | 0.063                      | 0.000                                |
| GEF Management Information System*   | 0.464  | 0.430              | 0.034                      | 0.000                                |
| Results Based Management             | 0.408  | 0.395              | 0.000                      | 0.000                                |
| Rio+20 Special Initiative            | 0.210  | 0.120              | 0.000                      | 0.090                                |
| <b>Total</b>                         | <b>\$2.438</b>                                 | <b>\$2.238</b>     | <b>\$0.097</b>             | <b>\$ 0.090</b>                      |

\*Repurposed for IT upgrade in FY14

### ***Performance Based Allocation System***

2. Between FY04 and FY07, the GEF Council approved a total of \$1,356,000 to support either the development of a performance-based allocation system (which developed into the RAF) or to refine the RAF, including its potential application to other focal areas. As indicated to Council in its Business Plan and Budget document in May 2015 (GEF/C.48/05), the Secretariat draws on the available balance of this Special Initiative to support its overall IT upgrade, as

described in the Business Plan, as part of further improvements to performance-based approaches to allocation of resources and programming.

3. In FY22, an amount of \$63,000 was used to support and finalize the development of the advanced dashboard and related features of the GEF Portal, to further enhance capabilities to track and monitor trends and results in real-time in the work of the partnership, building on the already advanced functionality of the Portal. The resources of this Special Initiative have now been fully utilized as shown in Table 11 above.

### ***Management Information System***

4. In November 2005, the Council approved \$700,000 to develop a management information system to enable the GEF and its partners to improve effectiveness across all areas of GEF business operations. As indicated to Council in its Business Plan and Budget document in May 2015 (GEF/C.48/05), the Secretariat draws on the available balance of this Special Initiative to help implement the actions mentioned in the main paper to upgrade the GEF's IT platform, together with resources from the previous initiative and the core budget. In FY22, an amount of \$34,000 was used to support additional functionalities of the GEF Portal, including its advanced system for generating reports. The resources of this Special Initiative have now been fully utilized.

### ***Results-based Management***

5. In June 2006 (FY2007 budget) and June 2009 (FY10 budget), the GEF Council approved two special initiatives to further strengthen the GEF's capacity for RBM and learning through specific activities and studies. As indicated to Council in its Business Plan and Budget document in May 2015 (GEF/C.48/05), the Secretariat has been drawing on this account to support further strengthening of RBM. This Special Initiative was closed in 2020 and the balance of \$13,233 was reflowed to the Trust Fund window.

### ***Rio+20 – Special Initiative***

6. In May 2011, the GEF Council approved \$210,000 to support activities by the GEF Secretariat related to the GEF's participation in the Rio+20 Summit held in Rio de Janeiro in June 2012, including related publications. Since June 2012, the Secretariat has used funding from this special initiative to support follow-on work from the Rio+20 Conference, including travel to meetings relating to the SDGs and post-2015 sustainable development agenda.

7. In FY24, the Secretariat initiated plans to use the remaining balance of this Rio+20 Special Initiative, \$90,000, to collaborate with scientists from all parts of the world in putting together a resource for future leaders. This initiative, which has been delayed into FY25 due to the high

demands of GEF-8 pending the hiring of additional staff, will be dedicated to the importance of science in informing solid and sustainable policy for the environment as a cornerstone of successful environmental stewardship and to honor the legacy of Gustavo Fonseca.

8. Throughout his career and especially during his tenure in the GEF, Gustavo Fonseca demonstrated a strong commitment and passion for harnessing science to influence policy and mobilize resources for the good of the global environment. To honor and build on this legacy, the GEF Secretariat will mobilize experts from around the world to review and synthesize work on key topical issues where Gustavo played a significant role in this regard. Through peer reviewed work and case studies, the authors will describe the state of play on each issue, the role of science and policy in advancing global outcomes, and the role that the GEF and Gustavo have played in each success story.

9. The compilation will be published as a resource for future leaders on how larger picture of the science of integration and the environment policy nexus can be harnessed to deliver durable and global outcomes for the planet.



### **ANNEX III: TRUSTEE -- FY24 REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

1. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

2. In addition to these services, additional activities supported by the Trustee in FY24 included; implementation of the GEF-8 Replenishment resolution, including collaborating with donors to deposit their Instruments of Commitment, and facilitate full effectiveness of GEF-8 replenishment resolution; ensure compliance with the provision of GEF-8 replenishment resolution, and mobilize installment payments for GEF-8; on-going negotiations to revise and update the FPAs with the GEF Agencies; ensure compliance with approved Council decisions such as those contained in the Policy Measures to Enhance Operational Efficiency, Accountability and Transparency; ensure Agencies' compliance with their FPAs including periodic financial reports related to their implementation of GEF-financed activities and administrative support to the GEF Secretariat in implementing policies approved by the Council.

#### **FY24 Projected vs. Estimated Actual**

3. The fees for FY24 for Trustee's core services is \$3.53 million, reflecting an increase of \$118,000 compared to the approved budget. The increase was due to higher investment management fees and increase in legal costs for amendments of the GEF Instrument.

4. Liquidity levels are influenced by donor contributions and cash drawdown by Agencies. Investment management fees are calculated based on 4.5 basis points of the average annual balance of the Trust Fund. The average liquidity balance during FY24 is higher by \$222 million than anticipated, resulting in increased investment management fees.

#### **FY23 Actual expenses**

5. The actual amount of Trustee expenses incurred for FY23 was \$3.3 million (included the costs of audit and Trustee's activities to support the GEF-8 Replenishment) and this is consistent with the expected expenditure that was reported in the Council meeting in June 2023.