

GEF-7: Second Informal Update on Key Issues

July 17, 2017

I. Introduction

This note captures the latest progress in the Secretariat's efforts to refine the proposed programming and policy directions for GEF-7. It reflects feedback received at the informal check-in meeting with Participants in May, as well as wide-ranging consultations with recipient countries, Agencies, the secretariats of the multilateral environmental agreements (MEA) that the GEF serves, and other stakeholders over the past three months.

The note is organized in three main sections: (i) a brief summary of feedback received, (ii) an update on the emerging programming directions, and (iii) a summary of the current status of work on a number of policy issues that were highlighted at the informal check-in meeting in May.

II. Summary of feedback

Key messages from the informal check-in meeting in May can be summarized as follows:

- Participants welcomed the evolution of the proposed programming directions for GEF-7, as captured in the Secretariat's informal note of May 17. In particular, Participants appreciated the proposed focus on a smaller number of Impact Programs (IP). At the same time, many sought further information about the extent to which each program meets the three-part "French Test" of (i) alignment with countries' priorities and the objectives of relevant MEAs, (ii) fit within the GEF's comparative advantage, and (iii) potential for delivering greater results than current approaches.
- Participants also appreciated the added clarity provided by the Secretariat in terms of the rationale for and key features of the proposed IPs, notably that these would seek systems change, seize time-bound opportunities for partnership, and be pursued through coordinated programmatic approaches.
- Several Participants sought further information as to how the proposed programs would be delivered, notably the respective roles and responsibilities of the Secretariat, Agencies and recipient countries, the modalities for private sector engagement, and how the implementation risks associated with more complex, multi-sector and multi-stakeholder initiatives would be managed.

- Participants welcomed the assurance that country allocations would be retained. Many welcomed greater flexibility, and sought further clarity in terms of the balance of country allocations, incentive mechanisms and set-asides for global and regional programming.
- Some participants reiterated their desire to see options for differentiated terms of GEF financing in different countries, while others expressed their concerns over what such differentiation would mean in terms of the GEF's ability to carry out its mandate under the MEAs it serves.

Several of these messages were echoed in the consultations that have been carried out with recipient countries, Agencies, convention secretariats and other stakeholders since the first replenishment meeting in March (see Annex I for an overview of consultations carried out to date). In addition, these key stakeholder groups emphasized the following:

- Consultations with recipient countries suggest broad support for the GEF, helping countries catalyze transformational change across key systems, and for GEF being more selective in its programming. There appears a clear alignment between the proposed programming directions and countries' priorities. Many countries highlighted food systems, energy systems and cities among their top priorities for GEF support, while some of the other IPs presented in March received less support, such as Green Infrastructure and Natural Capital. Countries' feedback did not point to major gaps in terms of regions or groups of countries that would be excluded from the proposed programs, or that did not find relevant programming areas among those proposed.
- Countries stressed the importance of close dialogue with national authorities and sought further clarity regarding operational aspects, such as how they could express their interest in and eventually join the proposed, multi-stakeholder programs. Countries strongly welcomed the proposal to retain country allocations and the proposal to introduce flexibility to allow countries to use those allocations across focal areas. Countries asked for further clarity in terms of how they could program their allocations, and whether additional, incentive funds would be available for some of the proposed IPs.
- Many Agencies have engaged actively in the GEF-7 process by sharing their thinking on the potential alignment between the proposed programming directions and their own priorities, and the added value they could bring towards selected programs. At the same time, Agencies have sought further clarity as to their role in the future design of those programs.

- Agencies welcomed the Secretariat's invitation to work together on the further elaboration of key elements of the GEF-7 policy agenda, notably on results, operational efficiency and gender.
- MEA secretariats have conveyed the need for a narrative on how COP guidance and country priorities are best addressed through the focal areas or through IPs, and to clarify linkages between them further. The MEA secretariats have expressed their continued commitment for engagement in the consultation process.

III. Update on Programming Directions

Taking into consideration the inputs received to date, and a review of the proposed IPs against the "French test", the emerging Programming Directions can be summarized as follows:

- The GEF-7 strategy document confirms the importance of the focal areas and the role of the conventions while at the same time recognizing the need to complement single-focal area investments with investments in integrated comprehensive programs that can deliver multiple benefits.
- Following a review against the "French test" (see Annex II), four key areas emerge as being particularly suitable to be programmed as IPs: (i) Food, Land Use, and Restoration, (ii) Sustainable Cities, (iii) Energy Breakthroughs, and (iv) Sustainable Forest Management. These IPs collectively address major drivers of environmental degradation and/or deliver multiple benefits across the many thematic dimensions the GEF is mandated to cover.
- Other IP concepts that were originally proposed in Paris are not deemed to meet the "French test", and it is therefore proposed that they would no longer be pursued as IPs, e.g. the Green Infrastructure IP, which no longer figures in the GEF-7 Programming Directions. Other proposed IPs were found to correspond with more specific COP guidance, and have therefore been integrated within their specific focal area strategies. These include Natural Capital, Wildlife Conservation, and Sustainable Fisheries.
- Some IP concepts that were originally proposed represent innovative areas of investments that can potentially show promise in the medium term. In keeping with the GEF's role as a catalyst and innovator, it is therefore proposed that a few areas characterized as "Frontier Investments" be pursued. These modest investments will serve to "test the waters" in areas that can complement other GEF investments and set the stage for potentially critical engagement in the future. Four areas are proposed as

Frontier Investments namely, (i) Circular Economy, (ii) Green Finance, (iii) Environmental Security, and (iv) Integrated National Planning.

The emerging overall programming architecture of GEF-7 is aimed at advancing the GEF2020 vision by addressing the drivers of environmental degradation and contributing to systems change in key areas that impact the GEF mission. It is increasingly recognized through scientific evidence, convention guidance and GEF's operational experience that safeguarding the health of the global environment requires both responding to pressures and addressing the drivers of environmental degradation. The latter often requires transformational change in key economic systems. The GEF's experience has provided the first evidence of the need to combine focused action in specific areas, such as the protection of biodiversity, with integrated investments in land use and food system reforms if global environmental degradation is to be arrested. This experience is being harnessed in GEF-7, where a set of IPs will contribute to systems change, which in turn meets multiple Convention goals and is an integral component of each Focal Area Strategy. These investments will closely match key objectives and guidance received from the relevant COPs and be complemented by important focal area investments in activities that can best be delivered as stand-alone focal area investments. This "matrix" framework will be complemented with innovative Frontier Investments that can have catalytic impacts in the future (see Figure 1 below). This GEF-7 proposal is expected to deliver higher impact, more Global Environmental Benefits, and contribute to the transformation of key economic systems. This will advance the GEF2020 vision in leading to a lasting and sustainable environment in which development can proceed.

Figure 1: Programming Directions

Focal Areas	Biodiversity	Climate Change	Land Degradation	International Waters	Chemicals and Waste
Focal Areas	Priorities to be addressed through Focal Areas				
	<ul style="list-style-type: none"> Protected Areas Combating Illegal Wildlife Trade Invasive Species Natural Capital ABS Enabling Activities 	<ul style="list-style-type: none"> CBIT Enabling Activities Technology Transfers NDC preparation 	<ul style="list-style-type: none"> Creating Enabling Environments for LDN Enabling Activities LDN Target setting 	<ul style="list-style-type: none"> Strengthening Blue Economy Opportunities Increase Governance in ABNJs Enhancing Water Security in Freshwater Ecosystems Coastal and Marine PAs 	<ul style="list-style-type: none"> Industrial Chemicals Agricultural Chemicals LDC/SIDS support Enabling Activities
Impact Programs	Priorities to be addressed through Impact Programs				
Food, Land Use, and Restoration	<ul style="list-style-type: none"> Manage biodiversity in production landscapes Harnessing biodiversity for sustainable agriculture 	<ul style="list-style-type: none"> Land-based and value chain GHG mitigation (<i>sequestration and avoidance</i>) 	<ul style="list-style-type: none"> Sustainable land management Diversification of crop and livestock systems Restoration of degraded production landscapes 	<ul style="list-style-type: none"> Integrated land and water management Prevention of nutrient pollution 	<ul style="list-style-type: none"> Disposal of hazardous agricultural chemicals
Sustainable Cities	<ul style="list-style-type: none"> Integrating biodiversity and ecosystem values in urban planning 	<ul style="list-style-type: none"> Urban-related GHG emissions avoidance 			<ul style="list-style-type: none"> Reduction of POPs, ODS< and Mercury
Energy Breakthroughs		<ul style="list-style-type: none"> Energy-related GHG emissions avoidance 			<ul style="list-style-type: none"> Reduction of POPs, ODS< and Mercury
Sustainable Forest Management	<ul style="list-style-type: none"> Protection of HCV forests Manage biodiversity in forest landscapes 	<ul style="list-style-type: none"> Protection of carbon-rich stocks Forest related GHG emissions avoidance 	<ul style="list-style-type: none"> Management of dryland forest landscapes 	<ul style="list-style-type: none"> Integrated land and water management 	
Frontier Investments	Priorities to be addressed through Frontier Investments				
Environmental Security					
Green Finance					
Circular Economy					
Integrated Planning for MEAs/SDGs					

	Primary benefit
	Secondary benefit

Impact Programs

The GEF-7 Impact Programs seek to tackle major drivers of environmental degradation which in turn requires transformative change in key economic systems. The four Impact Programs include (i) Food Systems, Land Use, and Restoration; (ii) Sustainable Cities; (iii) Energy Breakthroughs; and (iv) Sustainable Forest Management. These impact programs collectively address major drivers of environmental degradation and/or deliver multiple benefits across the many thematic dimensions the GEF is mandated to cover.

Through these, the GEF would be better positioned to help countries pursue holistic and integrated approaches for transformational change in economic systems, and in line with their national development priorities. The focused set of country-driven priorities hold the potential to enhance synergies and integration among GEF investments, and crowd-in private sector funding. Many of the priorities are expected to be built on increasingly relevant global or regional platforms that are attracting a multitude of stakeholders and resources in response to political commitments. Ongoing consultations between agencies, the Secretariat, countries and other stakeholders are being carried out about implementation modalities for the IPs, with a view to managing the inherent complexity of the programs.

Impact Program: Food Systems, Land Use, and Restoration

Food systems and land use are key drivers of degradation across all the environmental domains that the GEF covers. It is a critical underlying cause of biodiversity loss, irreversible land degradation, depletion of water resources, and significant GHG emissions. To avoid and reverse these potential negative trends, a significant transformation of the global food systems is needed to ensure that productive lands are embedded within landscapes that are providing ecosystem services as well as protecting the natural ecosystems on which they depend. Achieving this transition will require a holistic, system-wide approach integrating both horizontal (land and natural resources) and vertical (food value and supply chain) dimensions.

Moreover, such an integrated approach is essential to enable countries to tackle these drivers in a synergistic fashion for maximum impact in terms of delivery on Rio Convention and other MEA priorities. For example, more than 60 countries included avoided deforestation in their Nationally Determined Contributions (NDCs) and more than 100 included actions within agriculture. In addition, more than 200 million hectares has been pledged for landscape restoration by countries through various initiatives such as the Bonn Challenge, Africa 100, and the Initiative 20 x 20 in Latin America. Through consultations during various GEF events (e.g. Extended Constituency Workshops, National Dialogue Initiatives, etc.), there turns out to be a clear demand from countries for a comprehensive approach to help them align and integrate these multiple land-use priorities at scale. Some countries have explicitly asked for assistance for comprehensive land-use planning, and there is strong interest in learning from other countries' experiences.

The proposed Impact Program on Food Systems, Land Use, and Restoration is a direct response to this demand, and will further strengthen efforts by countries toward comprehensive land-use

planning. Rather than addressing the underlying drivers of inefficient food systems and land use through separate or isolated investments, the proposed IP will help countries take a more holistic and system-wide approach that is in line with their specific needs for generating Global Environmental Benefits. A coordinated rational and environmentally sustainable land-use framework at the national level is key to ensuring efficient food value and commodity supply chains, protecting the environment, and supporting human prosperity.

There are existing global initiatives and coalitions around deforestation-free commodity supply chains, improving efficiency and effectiveness of food value chains, and restoration of degraded landscapes. Amongst these are the Global Agribusiness Alliance to tackle environmental, social and sustainability challenges to improve the resilience of farmers across the world; the Tropical Forest Alliance for reducing tropical deforestation related to key global commodities by 2020; and the New Food and Land-Use Economy (FOLU) Coalition to achieve sustainable land use and feed the world with healthy and nutritious diets in a way that supports net zero greenhouse gas emissions through halting deforestation by 2030 and increasing forest restoration. The success of this approach will also depend on ensuring that the private sector is firmly integrated into land-use planning and actions and becomes a positive force for transformation.

Based on the country-specific context, the GEF will help countries pursue comprehensive and system-wide planning approaches to underpin the transformation of food and land use systems, and, as a result, address priorities of the major multi-lateral agreements and conventions. In order to accommodate differences between countries with respect to opportunities for leveraging GEF financing, the proposed IP will focus on three interrelated priorities as “entry points”: *Sustainable Food Systems, Agricultural Commodity Supply Chains, and Landscape Restoration*.

The Sustainable Food Systems focus will target countries seeking to meet growing demand for increased crop and livestock production, without the risk of further expansion of farmland, erosion of genetic diversity, overexploitation of land and water resources, overuse of chemical fertilizers and pesticides, and inefficient practices that lead to greenhouse gas emissions and food loss and waste. The approach will be holistic, encompassing all stages of the food value chain from production, processing, and distribution to marketing, consumption, and disposal. It will engage agribusiness and the food industry, harnessing their ability to scale best practices and standards across global food value chains and their ability to support small- and medium-sized enterprises.

The focus on Agricultural Commodity Supply Chains will target agricultural commodities that account for significant proportion of tropical deforestation and associated loss of biodiversity. Building on the global platform established through the GEF-6 Integrated Approach Pilot (IAP) program on commodities, the GEF will increase its catalytic role on taking deforestation out of commodity supply chains in two ways: (i) deepening engagement with stakeholders and new countries for the beef, oil palm and soy supply chains; and (ii) broadening focus to include additional commodities associated with tropical deforestation.

Finally, the focus on Landscape Restoration will target countries seeking to restore degraded landscapes for reversing negative impacts on biodiversity and ecosystem services, including the provision of freshwater, food, fuel and fiber, air and water purification, and climate regulation, while supporting the production aspects of those same landscapes. The GEF will enable countries to deliver on these commitments through investments that will shift degraded lands into production systems for food and commodities, while generating multiple Global Environmental Benefits.

While the proposed approach is inherently complex, experience with the GEF-6 IAP programs suggests that such complexity can be overcome through strategic design and effective stakeholder engagement. The multi-dimensional nature of environmental challenges being addressed through these programs means that the transaction costs associated with their design may initially be high. However, the initial high cost will eventually pay-off as the resulting institutional frameworks and platforms gain traction for all stakeholders during the implementation phase. With the Commodities IAP program, for example, upfront investment in identification and agreement on the comparative advantages of all partners and stakeholders involved has led to an implementation structure that draws from the recognized strengths of each organization. In addition to the IAP programs, the GEF partnership with most countries has also been instrumental in helping governments integrate environmental management into development priorities. The planning processes involved is key to removing artificial silos that hamper effective and holistic land management. It also helped strengthen the Programs' ability to engage with the private sector (see "Private Sector Engagement in GEF-7" below). This IP will draw on these experiences to ensure that the food people need can be efficiently produced, biodiversity and genetic resources are appropriately harnessed, and carbon mitigation benefits are adequately captured from food systems and land use.

Impact Program: Sustainable Cities

Recognizing the critical role of cities for sustainable development, and the risks of not acting now, the GEF joined forces with key entities to support cities' endeavor towards sustainable integrated urban planning. The Sustainable Cities IAP was successfully launched in GEF-6 with more than 23 cities worldwide participating in the program. Participating cities are tied together with a global support platform that provides technical support, facilitates knowledge sharing, supported by existing networks including ICLEI and C40, as well as technical entities such as the World Resources Institute (WRI) and technology providers such as the European Space Agency (ESA).

The proposed Sustainable Cities IP in GEF-7 will build on the experiences of Sustainable Cities IAP and would strengthen the role of the global knowledge platform to enhance its catalytic impact in two ways. Firstly, the global knowledge platform would encourage participation by cities not directly funded by the GEF program, but willing to share their experiences of sustainable urban planning. The platform can facilitate dialogue among cities and experts on cutting-edge knowledge and approaches to urban sustainability planning. Secondly, the linkage between the global knowledge platform and individual cities' investments under the Program would be strengthened in both ways: cities can benefit from knowledge about urban

sustainability planning and inform the platform of their experiences.

Impact Program: Energy Breakthroughs

Within a rapidly changing global landscape for financing low-carbon clean energy investments, in which other funding channels are focused on commercially viable investments, such as utility-scale wind, solar, geothermal and hydropower investments, the Energy Breakthroughs Impact Program will focus on supporting low-carbon energy technologies which are not yet at full commercialization or are facing non-market barriers to wider adoption and scale up. GEF interventions will focus on innovation and risk-taking to support breakthrough opportunities and enhanced private sector leverage in response to country needs in ways that can eventually lead to the mainstreaming of new technologies, and scaling up through funding from other public/private sector entities, including the GCF.

Actions needed on these breakthrough priorities and similar areas fit well with the unique value added of the GEF, which has a proven track record of establishing enabling conditions through policy and regulatory reform, and fostering innovative and risk-taking opportunities to promote low-carbon technologies. The Program will harness the GEF's ability to convene stakeholders and create global platforms for coordination and knowledge sharing to maximize leverage and impact.

The Energy Breakthroughs Impact Program will be focused on new technologies and piloting new business models that allow today's breakthroughs to become tomorrow's successes. Through public/private platforms, the Energy Breakthrough priorities will foster multi-country engagement and private sector financing, yielding high impact in areas such as enhancing energy security; improving energy access; furthering cost reductions; and delivering Global Environmental Benefits across multiple MEAs.

In consultation with Sustainable Energy for All (SEforAll), the Clean Energy Ministerial, the International Energy Agency, and based on assessment of country commitments, GEF has identified four key breakthrough priorities: (i) de-centralized power with energy storage (e.g., mini-grids); (ii) electric vehicles and mobility transformation; (iii) acceleration of energy efficiency in buildings, district systems, and industry; and (iv) support for innovation and entrepreneurship of SMEs. The proposed approach anticipates that several public/private platforms will be developed or expanded to provide leadership on priority breakthrough areas based on existing platforms such as the Building Efficiency Accelerator under SEforAll.

Impact Program: Sustainable Forest Management

Several key forest ecosystems around the world are globally important for biodiversity and carbon storage such as the Amazon, the Congo Basin, as well as some important dryland forests. In these globally important ecosystems, the GEF has the opportunity to help change the future development trajectory from natural resource depletion and biodiversity erosion, to one based on natural capital management and productive landscapes. The latest science also indicates that

these globally important ecosystems require integrated ecosystem-scale management for maintaining their “ecological integrity and functioning” and delivering Global Environmental Benefits. Against this background, in GEF-6, an Amazon Landscapes Program (ASL) that, for the first time, brought three of the most important Amazonian Basin countries together was launched to coordinate on important aspects of Ecosystem-wide management and development trajectories. The ASL program has focused on designing and implementing collaborative approaches to productive and conservation land uses that will provide for livelihoods while preserving the ecological integrity and global environmental value of this ecosystem. These approaches have the potential to be truly transformative, and ensuring that the integrity of these key ecosystems, and the services they provide, is at the center of a sustainable development model that provides for people and production.

The Sustainable Forest Management (SFM) Impact Program will focus on key globally important ecosystems where GEF investments can contribute to a significant land use trajectory transformation and promote multi-country collaboration in ecosystems that span more than one country and are of global importance. Specifically, the SFM IP will focus on fragile biomes of global importance for humanity, the Amazon, the Congo Basin, and forests and trees outside forests in drylands where transformative impacts and multiple environmental benefits can be achieved. The focus on dryland geographies allows the GEF to address a unique and largely neglected set of issues that are closely related to the vulnerability of social and environmental systems and their resilience. The three geographies host globally important biodiversity, store large amounts of carbon, and provide livelihoods to forest-dependent communities. If sustainably managed these areas can be successful examples addressing the nexus between Global Environment Benefits, poverty and development issues through a holistic approach addressing the drivers of forest loss and degradation, including through a better enabling environment for forest governance, land use planning, land tenure policies, and economic incentives for sustainable utilization of forests.

The SFM IP builds on the GEF’s track record as a key supporter of forests with over \$1.4 billion invested in GEF-5 and GEF-6, and reinforces GEF’s unique mandate to support countries in the implementation of the three Rio Conventions (UN Convention on Biological Diversity, UN Framework Convention on Climate Change and UN Convention to Combat Desertification) as well as its important role supporting the United Nations Forum on Forests (UNFF).

Frontier Investments

The GEF has a long history of being a catalyst for innovative investments that serve to deliver Global Environmental Benefits and be scalable and mainstreamed once these investments have proven successful. Whether these are investments in new technologies, or new financial mechanisms for environmental impact, the GEF has remained at the forefront of innovation in the areas of environmental work in support of the MEAs. This has enabled the GEF to have a large impact relative to its overall financial portfolio and to serve as a bridge for other public and

private investments with long-lasting outcomes. It is against this background that a limited number of modest Frontier Investments are proposed.

Circular Economy: Investments in Circular Economy will focus on actions that can lead to global supply chains and regional and national economic development strategies moving from take-use-dispose to redesign-reduce-reuse-repair-recycle approaches. While the concept has been attracting much interest, and many recipient countries expressed their interest in this program, concrete investment ideas are yet to be fully developed. Several recipient countries expressed their interest in waste management, marine plastic, and brining the circular economy concept into city design utilizing digital technology. The investments will be designed to catalyze change in the *entire* supply chain from extraction to design to production to consumption to waste management and back to production. The key intervention opportunities will initially focus on marine plastics and waste management and can expand based on country demand and dialogue. The Investments will address major material supply chains: plastics, textiles, building construction, food and electronics.

Green Finance: The GEF's investments in this frontier theme will concentrate on actions that can advance the "greening" of the financial systems, in particular "beyond climate" which globally has been the main focus of green finance so far, thereby fostering green financial systems that serve all MEAs and focal areas. GEF investments will serve to inform country recipients about innovations in green finance, tailor global financial innovation to local needs, and support fast-tracked implementation of country roadmaps. The GEF will also help foster the broader adoption of national green finance instruments and support enhanced alignment of national financial regulation with environmental sustainability consideration. At the global scale, the investments will promote coordination and collaboration, including through North-South and South-South learning and sharing of best/good practices and approaches.

Environmental Security: GEF investments in Environmental Security will aim to maintain, enhance, and restore natural capital (biodiversity, land, transboundary waters, etc.) in areas where environmental degradation risks causing or has caused human migration and conflict. The GEF's entry point and investments will support the sound and sustainable management of natural resources and/or rebuilding natural capital stocks in these fragile regions. Working in tight cooperation across partners in recovery and peace-building efforts – including governments, sub-national stakeholders, development partners as well as humanitarian actors – GEF financial support and expertise can leverage these multi-stakeholder platforms and finance leading to greater impacts. Seeking integrated solutions across natural resources, water and environmental services in areas and countries at risk is likely to produce more direct and indirect benefits than the total of direct and ancillary benefits emerging from separate sector specific efforts – in fact sector specific actions can be costly and lead to sub-optimal outcomes and further tensions. To avoid crises situations in the future, the investments will provide support to global monitoring where environmental risks are contributing to fragility and conflict vulnerability and promote mainstreaming "resilience systems thinking" across GEF investments.

Integrated National Planning: Investments in Integrated National MEA-SDG Planning will aim to address challenges that countries encounter in multiple national reporting needs, and to enhance coordinated planning and implementation among the recent global environmental agreements for which the GEF serves as a/the financial mechanism. The GEF-7 period represents a window of opportunity for coordinated support, as this is the first time for the countries to implement national commitments/contributions /targets for these MEAs. There is also a demand and expectation that countries will align their investments in meeting their MEA commitments with the 2030 Agenda for Sustainable Development (through national SDG plans). These investments will support interested countries to establish and utilize a coordinated planning and implementation framework for the MEAs and relevant SDGs at the national level. Given that MEA priorities may not be automatically included in national SDG planning and implementation, the Frontier Investments will aim at supporting concerted national efforts in considering SDG targets and indicators in an integrated manner with MEA priorities, and developing local action in the medium-to-longer-term. This will be facilitated by a global platform that unites various practitioners' communities and thought leaders across themes that are MEA- and SDG-relevant.

Focal Areas

The GEF-7 strategy confirms the importance of the focal areas and the role of the conventions while at the same time recognizing the need to complement these investments with Impact Programs and Frontier Investments to address drivers of environmental degradation in an integrated manner across focal areas. In addition to the outcomes delivered through the Impact Programs which contribute to multiple focal areas, the individual focal area strategies contain activities that can best be delivered as single focal area investments, as they respond to Convention-specific guidance.

Focal Area: Biodiversity

At the CBD COP 13, Parties agreed on a Four-year Framework of Program Priorities for GEF-7 which emphasized three key areas: (i) mainstream biodiversity across sectors as well as within production landscapes and seascapes; (ii) reduce direct drivers of biodiversity loss; (iii) and strengthen biodiversity policy and institutional frameworks. Results in these three key areas can most effectively be achieved through a combination of focal area -specific actions and IPs (as also encouraged by the COP decision, which "*Encourages* the Global Environment Facility to continue and further strengthen integrated programming as a means to harness opportunities for synergy in implementing related multilateral environmental agreements").

Implementation of the GEF-7 Biodiversity Focal Area Strategy will be primarily supported through the following Impact Programs (and associated focal area strategy):

- Food Systems, Land Use and Restoration Impact Program;
- Sustainable Forest Management Impact Program; and
- International Waters Focal Area Strategy

And the following focal area -specific investments:

- Protected Areas
- Invasive Species
- Natural Capital
- Wildlife Management
- Access and Benefit Sharing
- Enabling Activities

Collectively this combination of focal area -specific investments and Impact Programs will deliver the Global Environmental Benefits for Biodiversity in support of the outcomes that the Four-year Framework has prioritized for GEF-7.

Focal Area: Climate Change

The GEF-7 Climate Change Mitigation strategy is structured to address COP guidance and relevant decisions under the Paris Agreement. The most recent COP guidance was provided at COP 22 in Marrakesh, Morocco in 2016, which requested the GEF to provide enhanced support, including enabling activities in the context of national climate strategies and plans, and to continue to assist in particular the least developed countries (LDCs) and small island developing states (SIDS) in efficiently accessing resources. The GEF was also encouraged to continue alignment of GEF programming with priorities identified in countries' NDCs, where they exist, and to continue to promote synergies across Focal Areas.

In response to this guidance, the GEF-7 climate change focal area strategy, delivered primarily through the Impact Programs, will support developing countries shifts towards low emission development pathways through innovation, integrated approaches, technology transfer, supportive policies and strategies, and key enabling activities.

In GEF-7, delivering on the UNFCCC COP guidance will be primarily supported through the following Impact Programs:

- Energy Breakthroughs Impact Program
- Sustainable Cities Impact Program
- Food Systems, Land Use and Restoration Impact Program, and
- Sustainable Forest Management Impact Program

And the following focal area -specific investments:

- CBIT
- Enabling Activities
- Technology Transfer
- NDC preparation

The GEF will continue to support projects that take advantage of synergies to seek multiple Global Environmental Benefits across conventions while reducing trade-offs and duplication, as well as ensuring the integration of climate resilience measures into all GEF areas to address climate change risks. Overall, the proposed climate programming is consistent with the GEF's comparative advantage vis-à-vis other climate funds in terms of (i) the GEF's experience taking an integrated and systems approach to tackle a broad range of issues with multiple benefits; (ii) the GEF's proven record in funding demonstration and pilot activities; and (iii) the GEF's engagement in institutional strengthening that contributes to enhanced climate action¹.

Focal Area: Land Degradation

At UNCCD COP 12, it was decided to make Land Degradation Neutrality (LDN) the key organizing principle of the UNCCD. COP guidance directs the GEF to continue its support to countries to implement LDN targets through a dual approach of measures to avoid or reduce degradation of land combined with measures to reverse past degradation. The GEF is well-placed to facilitate coordinated investments in sustainable land management (SLM) as a means to achieve LDN. A specific emphasis in GEF-7 is placed on sustainable management of drylands in arid and semi-arid zones addressing, among other issues, drought-prone ecosystems and populations.

Implementation of the GEF-7 Land Degradation objectives will be supported through the following Impact Programs:

- Food Systems, Land Use and Restoration Impact Program, and
- Sustainable Forest Management Impact Program

And the following Focal Area specific investments:

- Creating Enabling environments for LDN
- Enabling Activities
- LDN Target setting

The GEF-7 LDFA investments will focus on landscapes where agricultural and rangeland management practices underpin the livelihoods of poor rural farmers and pastoralists.

Focal Area: International Waters

The importance of healthy marine and freshwater aquatic ecosystems is increasingly highlighted in national strategies and political priority-setting exercises, as the systems are intrinsically linked to opportunities for prosperity and economic growth. Responding to country demand, the International Waters Focal Area will enable countries to step up such national and regional actions safeguarding their marine and freshwater ecosystems and unlocking their full economic

¹ GEF/C.52/Inf.03, *Update on GEF2020*

development potential. The need for strong resilient marine and freshwater ecosystems is clear to all levels of society and resource users, however, these complex systems feed into a myriad of sectoral needs and themes, while not being bound by political boundaries. Long-term solutions, therefore, need national implementation and action supported by regional cooperative frameworks to ensure local priorities and obstacles are acknowledged and respected between the stakeholders sharing a common water body.

The GEF-7 International Waters Focal Area strategy be implemented through four closely interlinked investments in:

- Strengthening Blue Economy Opportunities
- Increasing Governance in Areas Beyond National Jurisdiction (ABNJ)
- Enhancing Water Security in Freshwater Ecosystems, and
- Coastal and Marine Protected Areas

These investments in turn will deliver a suite of Global Environment Benefits related to reducing threats to marine and coastal waters, better and more sustainably managed marine and freshwater fisheries, reduced pollution loads from nutrient enrichment and other sources of pollution, and restored and sustained freshwater, coastal, and marine ecosystems goods and services, including globally significant biodiversity and key biodiversity areas,

Focal Area: Chemicals and Waste

The GEF-7 Focal Area programming strategy for chemicals and waste builds on the GEF's past work in policy and priority-setting, piloting of technologies and techniques to build best practice and progressively working with the private sector to help to achieve the goals of the chemicals and waste MEA cluster and to foster the sound management of chemicals and waste. The Chemicals and Waste Focal Area will specifically support the reduction of POPs, mercury, ODS, lead in paints, chemicals of global concern in the supply chain of commercial and domestic products and highly hazardous pesticides that enter the global food supply.

During the GEF-7 period, the Minamata Convention will be in force and the foundations will need to be laid for the phase-out of mercury during this four-year cycle. Already more than one hundred countries are implementing their Minamata Initial Assessments, which will set the baseline against which actions in GEF-7 and beyond will be done. In GEF-7 the 2017 amendments of the Stockholm Convention will enter into force and the work on these new chemicals will be needed as well as the work to move towards the phase out PCB's by 2028 and implementation of the four previous amendments of the Convention. For SAICM, the GEF support in GEF-7 will help to advance the work for the post 2020 agenda and, for the Montreal Protocol, the Kigali Amendment will enter into force during the GEF-7 period.

The main goals of the Chemicals and Waste Focal Area will be achieved by a combination of the following Impact Program:

- Sustainable Cities Impact Program

And the following Focal Area specific investments:

- Industrial Chemicals
- Agricultural Chemicals
- LDC/SIDS support
- Enabling Activities

Private Sector Engagement in GEF-7

It is universally recognized that the private sector will need to play an essential role in the transformation of economic systems that is needed to reverse the current unsustainable global trends. At the same time, the transformation can also potentially create significant opportunities for the private sector if a conducive policy framework is put in place and private sector investments are appropriately de-risked. According to a report from the Business & Sustainable Development Commission, pursuing sustainable and inclusive business models could unlock economic opportunities worth at least US\$12 trillion a year by 2030 and generate up to 380 million jobs, primarily in developing countries. However, real leadership is needed to create partnerships between private sector, government and civil society to address the fundamental deficiencies in the current economic model.

For GEF-7, two complementary pillars underpin the GEF's engagement with the private sector across all programming areas: (i) blended finance through non-grant instruments and (ii) public-private platforms to create enabling environments that enhance private sector engagement.

Blended Finance

Blended finance aims to use scarce public resources to unlock large multiples of private sector finance, and therefore has attracted significant interest in recent years. The GEF experience shows that blended finance can be a potent instrument, using both traditional grants and non-grants. The GEF-6 Non-Grant Instrument Pilot was designed to pursue innovative blended finance using tools such as equity and risk guarantees to catalyze private sector investment and seek projects in all focal areas. Of the \$110 million authorized for the Pilot, the GEF has approved a total of ten projects, using \$91 million in GEF funding and attracting \$1,689 million in co-financing through January 2017.

Based on lessons learned from investments in now more "mainstream" clean energy and low-carbon technologies, GEF has successfully expanded innovative use of non-grant instruments to natural resources management. Of the ten projects awarded, six are focused on natural resources. Examples include the Moringa Agro-Forestry Fund for Africa sustainable agriculture;

the Meloy fund to invest in sustainable fisheries in Asia; and the Risk Mitigation Instrument for Land Restoration in Latin America.

Blended finance instruments such as equity and risk-guarantees will be used to catalyze strategic investments that deliver Global Environmental Benefits. The Secretariat would propose in GEF-7 the dedicated funding window for priority blended finance investments be significantly expanded compared to GEF-6, and strategically coordinated with the Focal Areas, Impact Programs, and Pilots. Each investment will have an expectation of reflows to the GEF trust fund. The selection criteria will ensure that GEF funds provide the minimum level of concessionality needed to “crowd in” private sector investment. GEF will analyze the NGI Pilot and recent trends in blended finance to inform and scope GEF-7 interventions for maximum impact. GEF will also consider refinements to operational procedures, for example, to enhance transparency, formalize review procedures, increase the cap on size, and accelerate approvals.

Public-Private Platforms

Mainstreaming the engagement with the private sector more broadly (beyond Blended Finance) into GEF programming, especially utilizing resources from country allocations, have proven a persistent challenge, as confirmed by various IEO assessments. Most of GEF’s successful examples for public private partnership are created and funded outside of country allocations. GEF experience shows that public-private sector engagement can be enhanced through early, upfront dialogue around multi-stakeholder platforms focusing on clearly identified issues and opportunities, as for example done in the GEF-GOLD program on mercury, GloBallast concerning the international shipping sector’s handling of ballast water, or the EnLighten program to promote energy efficient lighting.

The mushrooming of multi-stakeholder platforms before and after SDGs and Paris Climate Agreement, suggests significant momentum behind such collaboration with new opportunities for the GEF to enhance its support for public-private partnerships. In GEF-7, the Impact Programs offer an important opportunity to collaborate with and strengthen global and regional platforms where the private sector can play its role in taking up sustainable practices using new based on tools and analysis that benefit all countries.

For the GEF-7, under proposed IPs, several opportunities can be suggested, building on the success of GEF-6.

- The Food Systems and Land Use IP can offer tremendous opportunities for public private partnership, based on the experiences under Global Commodities IAP under GEF-6. Under this IAP, platforms have been created and joined by major traders of soy and beef operating in Brazil and Paraguay (e.g., ADM, Bunge and Cargill) that have signed onto the New York Declaration on Forests in meeting their pledges; and engaging with retail chains such as McDonald’s and Yum Brands that have committed to 100% sourcing of sustainable palm oil. Another key focus of the Commodities IAP is to support development of investment transactions via banks, investors or companies in Brazil, Paraguay, Indonesia

and Liberia that reduce deforestation in key commodity supply chains on a commercial or blended finance basis. These platforms can be extended under the Food Systems IP which will be built on existing and emerging platforms in the business community.

- Cities have offered several useful public private platforms under GEF-6. The pilot partnership around the Building Efficiency Accelerator is a good example where cities, as a planner and regulator, business as technology provider, and financier come together to create a model investment, which can subsequently be rolled out to interested cities. Cities also offer a valuable space to test new ideas of circular economy which involves various business sector including transport and food systems.
- The Energy Breakthroughs impact program will foster global public/private platforms in areas of significant systems change, including energy efficiency, decentralized power generation and mobility transformation. Barriers to private sector engagement include lack of standards; inconsistent test procedures; subsidies for traditional fuels; and lack of capacity within the power sector to handle disruptive change. One priority example for GEF-7 will be an effort to foster a public-private collaboration on mini-grids that will help standardize design packages, aggregate demand, reduce costs, and accelerate adoption in countries most needing energy access.

IV. Policy Directions

This section captures further progress on key policy and institutional issues explored in the GEF-7 Policy Agenda presented at the first replenishment meeting, including resource allocation, results, operational efficiency, transparency and gender, as well as additional issues raised by Participants at the meeting, such as differentiation and the accreditation of new Agencies.

Resource Allocation Framework

At the first replenishment meeting in March, as well as at the informal check-in meeting in May, Participants underscored that the GEF should retain a system of country allocations, which was seen to contribute towards country-ownership and predictability. Many participants also sought further information about how country allocations would be combined with targeted incentive mechanisms and funding for global and regional coordination and knowledge exchange in the context of key programs. Similar messages were reinforced in numerous consultations with recipient countries since March (see Annex I).

Taking into account the feedback received from different stakeholder groups, the Secretariat has continued to develop key elements of the proposed resource allocation framework for GEF-7, building on the main features of the GEF's approach over the past three replenishment periods, while introducing targeted adjustments in response to lessons learned. The key components of the proposed allocation framework are illustrated in Figure 2 below, and can be summarized as follows:

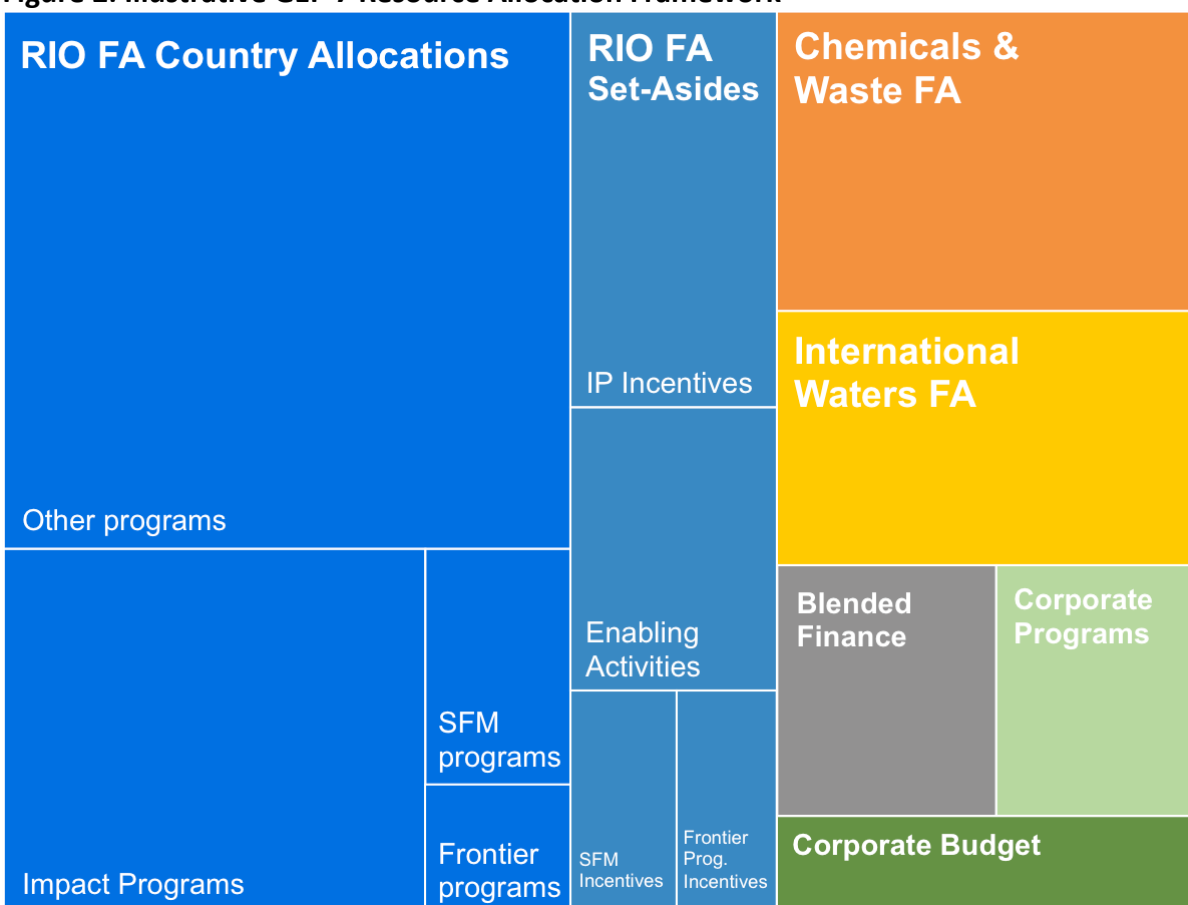
- Roughly half of the overall GEF-7 funding envelope could be made available for country allocations in support of the three Rio Convention focal areas (biodiversity, climate change and land degradation, represented by the light-blue area to the left in Figure 2 below). The precise allocations by country will depend on multiple factors, many of which will not be known until the conclusion of the replenishment negotiations. These include:
 - the size of the replenishment,
 - the distribution of funds across focal areas,
 - new country scores in the System for the Transparent Allocation of Resources (STAR) as a result of data updates across the global benefits, country performance and GDP indices, and
 - any changes to the STAR formula or other aspects of the resource allocation framework that Participants may decide upon.
- It is proposed that all Countries would have full flexibility to program their allocations across the three Rio Convention focal areas. Recipient countries have welcomed this proposal, which would provide them with greater freedom to focus their GEF-7 programming on the most relevant issues and opportunities. Meanwhile a strengthened results architecture would be established to ensure that the GEF remains on track towards agreed, replenishment-level targets for Global Environmental Benefits across all focal areas (see “GEF-7 Results Framework and Corporate Targets” below).
- Countries would have full discretion to program their allocations towards Impact Programs, Frontier Investments or other programs in the three focal areas as will be set out in the GEF-7 Programming Directions. Most Impact Programs and Frontier Investments would offer incentive funds that can match countries’ allocations by 50–100%, drawing on experience from the sustainable forest management program in GEF-5 and GEF-6, as well as the GEF-6 integrated approach pilot programs on food security and sustainable cities. Set-asides would fund these incentives, and would also fund regional or global coordination and knowledge sharing across countries in the context of key programs, and Convention-related reporting obligations. These set-asides are illustrated by the dark-blue area in Figure 2 below.
- Figure 2 illustrates in very indicative terms the possible, relative size of each of the main programming areas. Ultimately, however, the amount of GEF funding programmed towards the proposed Impact Programs, Frontier Investments and other focal area - specific programs would be a function of the following:
 - country demand, as expressed through a country’s decision to program its allocation towards a particular program or programs,
 - the availability of incentive funds for selected programs to top-up funds from country allocations,
 - the minimum ratio of country allocations to incentive funds, and

- the availability set-aside funds, e.g. for global and regional coordination and knowledge sharing.

While the last three of these factors could be agreed as part of the replenishment process, country demand would not be manifested until later. As a result, any funding targets associated with individual Impact Programs, Frontier Investments or other focal area - specific programs would remain purely notional.

- The remainder of the GEF-7 resource allocation framework would consist of allocations for chemicals and waste, international waters, a dedicated window for blended finance (see above), corporate programs (including the Small Grants Program) and the corporate budget.

Figure 2: Illustrative GEF-7 Resource Allocation Framework



At the second replenishment meeting in October, the Secretariat will present a complete, proposed resource allocation framework for GEF-7, based on different scenarios for the size of the replenishment.

GEF-7 Results Framework and Corporate Targets

Participants to the first replenishment meeting agreed to introduce an enhanced corporate results framework for GEF-7, supported by a more effective system for capturing and reporting expected and achieved results at the portfolio level.

As reported in May, the Secretariat, in consultation with Agencies, has initiated a process to define a limited number of core indicators for an enhanced, corporate results framework (see Annex III for a preliminary list). The core indicators are intended to capture the key Global Environmental Benefits across all five focal areas – along with additional, socio-economic co-benefits, where relevant – whereas a second tier of indicators will be developed to ensure a consistent capture of any additional information required for MEA reporting and accountability, as well as to enable meaningful portfolio-level analysis on key issues. Moreover, the Secretariat will continue to track selected corporate efficiency and effectiveness indicators, drawing on those used in the Corporate Scorecard.

Consistent with Participants' request at the first replenishment meeting, as well as IEO's conclusions and recommendations on results-based management², the proposed approach to results in GEF-7 would amount to a substantial simplification of GEF-specific, project-level reporting requirements, while seeking to further enhance the relevance and accuracy of the data collected.

At the second replenishment meeting, the Secretariat will present the following components of an upgraded, fit-for-purpose results architecture for GEF-7:

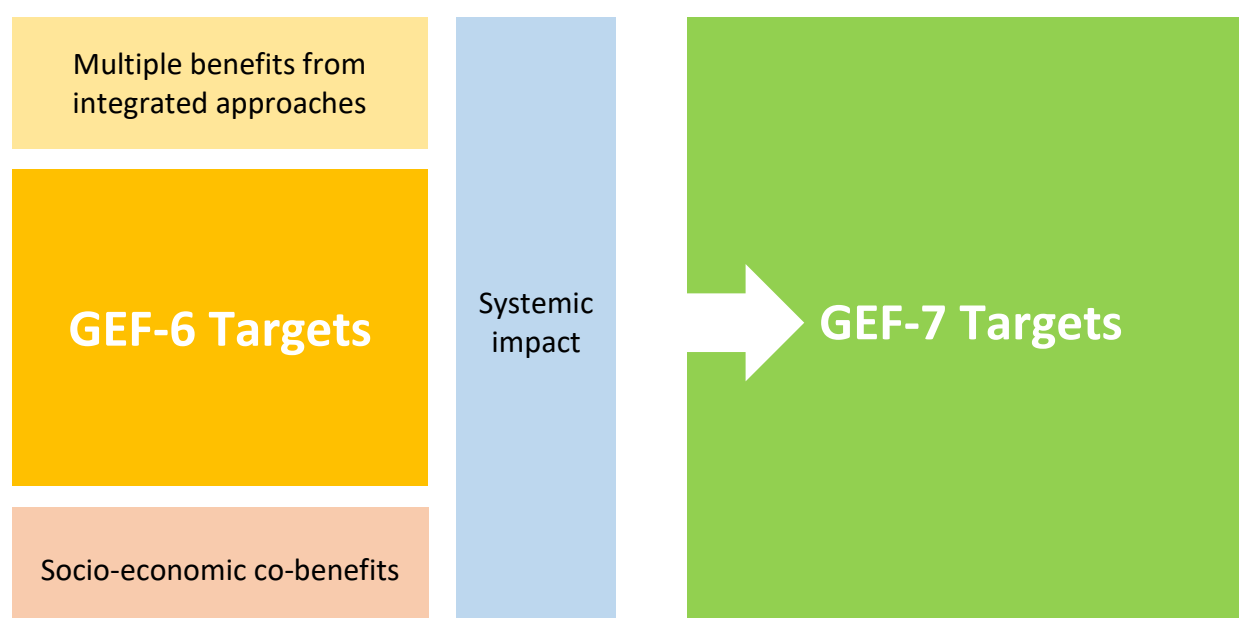
- A complete set of core indicators, validated through Partnership-wide consultations;
- Indicative, GEF-7 targets across the proposed core indicators, informed by bottom-up assessments of the potential benefits of the proposed GEF-7 programs – based on assumptions about scale, participating countries, co-financing, etc. – and evidence of co-benefits that were not fully considered when similar targets were set for GEF-6 (see below);
- A detailed mapping of how the GEF would contribute towards relevant SDGs in GEF-7; and
- A road map for simplifying reporting on the expected and achieved results of GEF-financed activities.

Specifically, with respect to the proposed, replenishment-level targets, early evidence suggests that the GEF-6 targets underestimated to a significant degree the multiple, Global Environmental Benefits of certain types of projects. In addition, the Secretariat and IEO have found that GEF projects and programs deliver considerable socio-economic co-benefits that are not systematically captured or aggregated at the portfolio level. Finally, as the GEF invests a greater share of its resources in integrated, systemic interventions that seek longer-lasting and larger-

² [GEF/ME/C.52/Inf.07, Review of Results-Based Management in the GEF](#)

scale impacts on the global environment, it may need to look for more sophisticated ways to capture how certain projects and programs contribute towards system-level changes beyond the direct environmental benefits that can be captured by conventional methods. To this end, the Secretariat will work to anchor the potential, systemic impacts of key programs in preliminary theories of change, and collaborate with STAP to further explore the key features of integrated systems approaches. Taken together, evidence from past investments and the different nature of some of the proposed future investments suggest that the GEF can and should set more ambitious targets for GEF-7, as illustrated in Figure 3 below.

Figure 3: The replenishment-level targets for GEF-7 will be informed by bottom-up assessments of the potential benefits of the proposed GEF-7 programs, as well as evidence of results that were not fully considered when targets were set for GEF-6



Differentiation

At the first replenishment meeting, a number of Participants requested that the Secretariat develop policy options to (a) ensure that a greater share of GEF resources be directed to the poorest and most vulnerable countries, and (b) provide differentiated terms of funding for different groups of countries. This request was reiterated at the informal check-in meeting in May.

By way of background, it is worth noting that the poorest and most vulnerable countries have benefited from a significant increase in GEF financing in GEF-6 compared to GEF-5. As a result of adjustments to STAR ceilings, floors and the weight of the GDP per capita index, country allocations to LDCs and SIDS have increased by some 14%³ from US\$607 million in GEF-5 to

³ As of June 30, 2017, these included 75 countries that have a STAR allocation in GEF-6.

US\$694 million in GEF-6 (See Figure 4 below). Similarly, funding approvals for national projects in LDCs and SIDS have increased from 12% of total funds approved in GEF-4 to 21% of approvals in GEF-6 to date.

Conversely, the aforementioned adjustments to STAR have led to a significant decline in allocations and funding approvals in high income countries (HIC) and upper middle income countries (UMIC) that are not LDCs or SIDS⁴. From GEF-5 to GEF-6, STAR allocations to these countries declined by 8%, from US\$1.15bn to US\$1.06bn, whereas actual funding approvals for national projects decreased from 36% of the total funds approved in GEF-4 to 29% in GEF-6 (see Figure 5 below).

The Secretariat will present at the second replenishment meeting relevant policy options and simulations for continued adjustments to the STAR formula, building on those introduced for GEF-6, and based on updated STAR indices.

Figure 4: GEF-6 modifications to STAR brought greater levels of funding to LDCs and SIDS... (total, indicative country allocations)

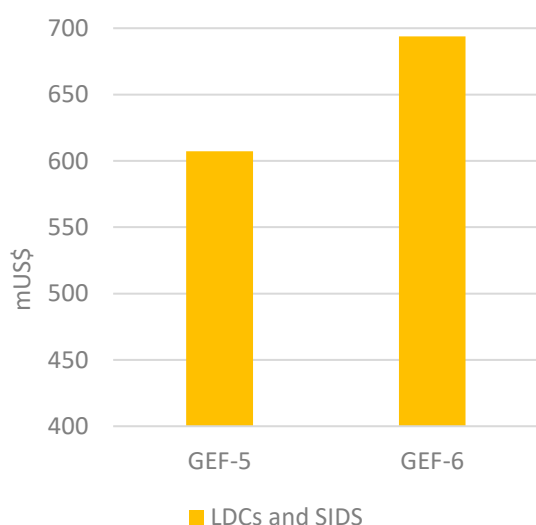
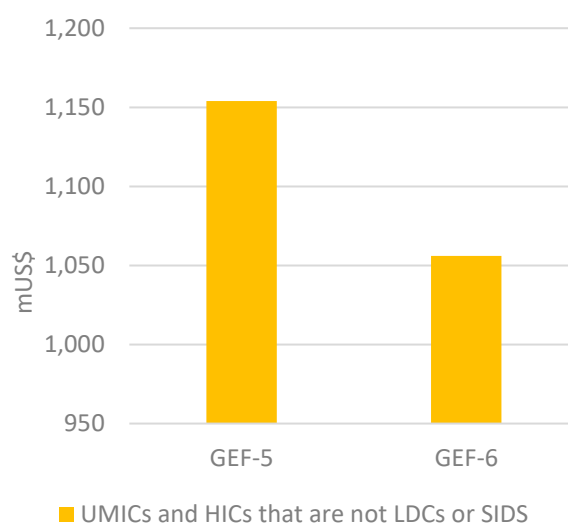


Figure 5: ...while reducing country allocations to the HICs and UMICs that are not LDCs or SIDS (total, indicative country allocations)



With respect to differentiated terms of funding for different countries, the Secretariat explored in the March Replenishment paper whether an increasing share of GEF funding in certain countries should be provided in the form of concessional sovereign loans rather than grants. It concluded that while such differentiation could offer benefits in terms of financial leverage and sustainability, it would introduce major challenges from a perspective of the GEF's added value and management capabilities. Specifically, a shift from grants to concessional loans would most

⁴ Of the 57 UMICs and HICs that are not LDCs or SIDS and that have received GEF support, 38 were among the 143 STAR recipients in GEF-6.

likely constrain the range of activities that the GEF would support, and the range of partners with whom the GEF could work.

While the GEF has little experience of sovereign lending, it has successfully deployed non-grant instruments, such as equity and guarantees, in private-sector facing projects and programs (see also “Private Sector Engagement in GEF-7” above). One option to introduce differentiated terms of funding could be to expand the use of such non-grant instruments to further catalyze private financing in selected countries, e.g. UMICs and HICs that are not LDCs or SIDS and whose STAR allocations exceed a certain size. This could be achieved by making some share of these countries’ STAR allocations available only in the form of non-grant instruments to private sector recipients, consistent with the objectives and modalities of the proposed, dedicated window for blended finance (see above).

For the second replenishment meeting, the Secretariat will present further analysis of the feasibility and possible implications of a greater use of non-grant instruments for public and private sector projects as a means to introducing a greater differentiation in the terms of funding for different groups of countries.

Accreditation of New GEF Agencies

Participants to the first replenishment meeting requested that the Secretariat table, at the second meeting, the issue of accrediting new Agencies, informed by updated analysis of the geographic and thematic coverage of the current network of 18 Agencies. The Participants’ request is tied to the June 2016 Council decision to reassess – on the basis of OPS6 findings and taking into account the criteria set out in the Secretariat’s paper to the Council⁵– at the end of GEF-6 whether to launch a process to accredit a limited number of additional Agencies⁶.

IEO, in its presentation of the initial OPS6 findings at the first replenishment meeting, concluded that “there is not much appetite for further expansion [of the GEF Partnership], although it may still make sense in some targeted situations—such as to provide increased coverage to the Pacific small island developing states (SIDS) and fragile states, and to the chemicals and waste focal area, or the addition of a national Agency in a country with a significant STAR allocation and institutions that have adequate capacities.”⁷

A preliminary analysis of developments over the past year does not suggest any major change in terms of the geographic or thematic coverage of the current network of 18 Agencies. Indeed, coverage will likely continue to improve as the new GEF Project Agencies become more actively engaged in GEF programming in the future. Recent data does confirm, however, that SIDS, particularly in the Pacific, have seen the lowest levels of coverage from GEF-3 to GEF-6, relative to other groups of countries (see Figure 6). It also confirms that the chemicals and waste focal

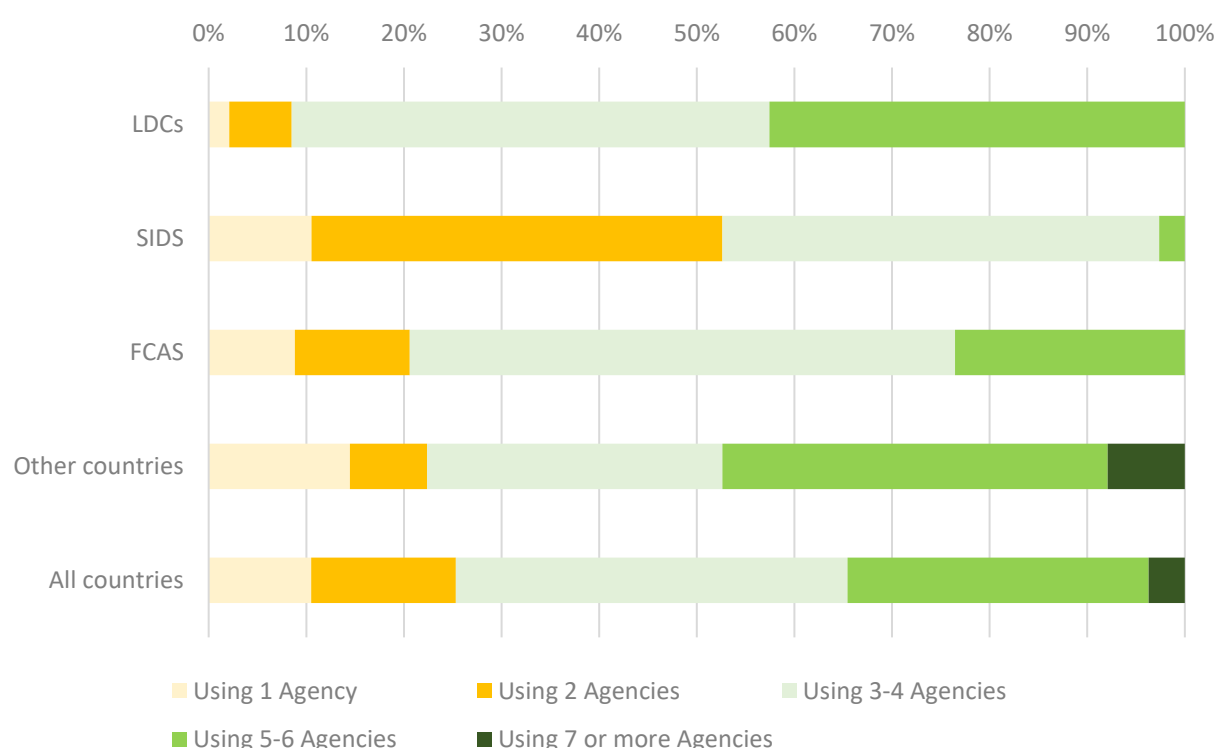
⁵ [GEF/C.50/07, Future Directions on Accreditation - A Follow-Up](#)

⁶ [Joint Summary of the Chairs: 50th GEF Council Meeting, June 7–9, 2016](#)

⁷ [OPS6 Evaluation Briefs](#)

area has seen the lowest level of Agency participation in relative terms, with only six different Agencies overseeing at least one single-Agency chemicals and waste projects since GEF-3, compared to at least ten different Agencies in other focal areas. At the same time, however, the breakdown of funding approvals in chemicals and waste suggests a balanced distribution between the Agencies involved.

Figure 6: The current network of 18 Agencies provides a considerable degree of choice for most countries, including LDCs and fragile states, whereas SIDS stand out as the group of countries that have access to the smallest number of Agencies (share of countries in groups by number of Agencies used between GEF-3 and GEF-6, based on approved national and single-Agency projects as of June 8, 2017)



For the second replenishment meeting in October the Secretariat will present an up-to-date analysis of trends in terms of the geographic and thematic coverage as well as the effectiveness and efficiency of the Partnership, specifically in light of the growing impact of the eight new GEF Project Agencies. The Secretariat will also consider the possible advantages and disadvantages of a limited expansion of the Partnership, particularly to strengthen coverage in SIDS.

Operational Efficiency

Participants to the first replenishment meeting welcomed the Secretariat's initial analysis and options for accelerating the GEF's project cycle and strengthening its systems to capture, store, analyze and communicate information on results, operational progress and financing across its Partnership, and to the general public.

Participants noted with appreciation that the 2014 Cancellation Policy had been effective: all full-sized projects (FSPs) and medium-sized projects (MSPs) approved in 2014–2015 had been submitted for CEO Endorsement/ Approval with complete documentation within 18 months from Council Approval and within 12 months from CEO PIF Approval, respectively. At the same time, Participants recognized that more could be done to accelerate the GEF’s project cycle from identification through to design, implementation and completion. Indeed, as of July 2017, of the 65 stand-alone FSPs that had been approved between October 2014 and December 2015, only 24 (37%) received actual CEO endorsement within 18 months from Council approval⁸, despite all of them having been submitted within the deadline.

The Secretariat has initiated an in-depth dialogue with all Agencies to further investigate the ways in which the GEF can accelerate its project cycle. Options under consideration include, *inter alia*, updating the Cancellation Policy to establish deadlines for actual CEO Endorsement/ Approval rather than for the submission of complete documentation alone, tranche payments of Agency fees tied to agreed implementation milestones, and stronger requirements for project-level reporting during implementation. The Secretariat and Agencies aim to present at the second replenishment meeting, a more complete picture of the delays affecting the project cycle, along with relevant options to accelerate project preparation and implementation. A two-day inter-Agency retreat on this and other matters is scheduled for September.

Transparency

In addition to the speed of project preparation and implementation, Participants welcomed further measures to enhance the transparency of GEF governance and operations, and some suggested that the GEF begin publishing data to the International Aid Transparency Initiative (IATI) Registry.

To this end, the Secretariat has advanced the development of an upgraded information management platform, which is expected to be operational by the beginning of GEF-7. With a view to improving the availability, accuracy, quality and timeliness of GEF data on financing, operations and results, the Secretariat has also explored the possibility of aligning its information management and reporting systems with the IATI standard, and it believes it can begin publishing data to IATI by the end of fiscal year 2019 (by June 30, 2019).

Gender

Since the first replenishment meeting in March, the Secretariat has made considerable progress in developing an updated Policy on gender for Council review and approval in November. A first

⁸ The observation that some projects take three months and longer to proceed from first submission to actual CEO Endorsement is not a new one. IEO concluded in OPS5 that “much of the time taken during this stage is due to processes that are not internal to the GEF Secretariat”. ([OPS5 Technical Document #18: Assessment of the GEF Project Cycle](#))

draft of the new Policy was circulated in May for consultation with a multi-stakeholder working group of Agencies, interested Council members, recipient countries, CSOs and expert organizations. The draft Policy draws on the findings and recommendations of IEO's recent *Evaluation of Gender Mainstreaming in the GEF* ([GEF/ME/C.52/Inf.09](#)), as well as the implementation of the current *Policy on Gender Mainstreaming* ([SD/PL/02](#)) and the 2015 – 2018 Gender Equality Action Plan ([GEF/C.47/09](#)), and it aims to reinforce the GEF's efforts to promote gender equality as well as the empowerment of women and girls in the context of the its mandate to protect the global environment. Taking into account early feedback from stakeholders, a revised draft will be shared for further consultation with the broader GEF Gender Partnership (GGP), which will convene for face-to-face meetings in late July.

In addition to the proposed, updated Policy on gender, GGP will discuss more broadly the GEF's future strategy on gender, including key entry points for a gender-responsive approach in GEF-7. Specifically, the Secretariat, in consultation with the Partnership, will carry out further work to identify specific opportunities for the GEF to achieve positive gender outcomes in the context of relevant GEF-7 programming areas, as well as ways to strengthen the GEF's ability to capture and aggregate such outcomes at the portfolio level. These key elements of the GEF's approach to gender in GEF-7 will be further elaborated by the second replenishment meeting in October.

Annex I: Summary of feedback from consultations: March—June 2017

<i>Stakeholder Group</i>	<i>When and How Consulted</i>	<i>Key Messages</i>
Recipient Countries		
Through Expanded Constituency Workshops (ECW) and Constituency Meetings between April and June the Secretariat has engaged in consultations with nearly 120 recipient countries ⁹ on the proposed GEF-7 Programming Directions and Policy Agenda.	<p>April 4–7, Da Nang, Vietnam: South Asia, Southeast Asia and China ECW;</p> <p>April 18–21, Victoria, Seychelles: Eastern Africa ECW;</p> <p>April 26–28, Bern, Switzerland: Central Asia Constituency Meeting;</p> <p>May 1–2, Ngerulmud, Palau: Pacific Islands Constituency Meeting;</p> <p>May 3–4, Montevideo, Uruguay: Southern Cone Constituency Meeting;</p> <p>May 9–12, Playa del Carmen, Mexico: Central America Constituency Meeting and ECW;</p> <p>May 12, Colombo, Sri Lanka: South Asia Constituency meeting</p> <p>May 16–19, St. George's, Grenada: Caribbean Constituency Meeting and ECW;</p> <p>June 27–30, Brazzaville, Congo: Central Africa ECW;</p> <p>July 4–5, Dakar, Senegal: Sahel and Coastal West Africa Constituencies Meeting;</p> <p>July 11–14, Hammamet, Tunisia: Middle East and North Africa ECW;</p>	<p>Participants to the ECWs and Constituency Meetings welcomed the proposed Programming Directions.</p> <p>The consultations did not suggest any major gaps in terms of regions or groups of countries that would be excluded from the proposed programs, or that did not find several relevant programming areas among those proposed. At the same time, countries sought further clarity as to how they could express their interest in and eventually join the proposed, multi-stakeholder programs.</p> <p>Several countries highlighted food and energy systems, as well as cities among their top priorities for GEF support.</p> <p>Countries also welcomed the Secretariat's proposal to retain STAR, while introducing flexibility to allow countries to use STAR allocations across focal areas.</p> <p>Looking forward, countries requested further details with respect to the funding and implementation of the proposed Impact Programs, including the balance of country allocations, incentive mechanisms and global and regional set-asides; and the respective roles of governments, the Secretariat, Agencies, civil society and the private sector in identification, design and implementation.</p>

⁹ The following countries were invited to attend the ECWs and Constituency Meetings held from April 4 to July 14, 2017: Afghanistan, Algeria, Antigua and Barbuda, Argentina, Azerbaijan, Bahamas, Bangladesh, Barbados, Belize, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Chile, China, Comoros, Congo, Congo DR, Cook Islands, Costa Rica, Cote d'Ivoire, Cuba, Djibouti, Dominica, Dominican Republic, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, the Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kyrgyz Republic, Lao PDR, Lebanon, Liberia, Libya, Madagascar, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia, Mongolia, Morocco, Myanmar, Nauru, Nepal, Nicaragua, Niger, Nigeria, Niue, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Rwanda, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Tajikistan, Tanzania, Thailand, Timor Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkmenistan, Tuvalu, Uganda, Uruguay, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen.

Stakeholder Group	When and How Consulted	Key Messages
More than 50 African Countries present and participating in the side event and plenaries, with specific consultation meetings with the following countries: Namibia, Morocco, Cote d'Ivoire, Ethiopia, Rwanda, Gabon, Congo, Zambia, Egypt, South Africa, Senegal, Mauritania, Cameroon.	During the meeting of the African Ministers Conference on the Environment (AMCEN) held in Libreville, June 12-16, 2017.	GEF-7 Programming Directions were presented and feedback was received via side events, plenary presentations, and bi-laterals. Text of support to the GEF and for GEF-7 was included in the final Ministerial Declaration. Countries were very supportive of the continuation of the STAR/Country Allocation as well as on the possibility of having full flexibility in the use of funds. Very strong support for the Food, Energy, and Cities IP as well as for potential SFM investments in the Congo Basin Landscapes.
Burundi, Cameroon, Central African Republic, Congo, Democratic Republic of Congo, and Equatorial Guinea.	Half-day meeting at the margins of the ECW for Central Africa.	Presentation and discussion on GEF-7 strategy with special focus on the Sustainable Forest Management IP and the Congo Basin Landscape resulted in a strong support from the 6 participating countries with a declaration being signed by all Operational Focal Points to be presented to their respective Ministers.
Gabon	Presidential meeting with CEO and GEFSEC technical staff on 6 June 2017 in Libreville	President of Gabon was briefed on GEF-7 Programming Directions by CEO. Much interest was shown on the Congo Basin Landscapes Program where Gabon can take the lead and establish trans frontier collaborations with neighboring countries which later led to a joint note of expression of interest signed by 6 countries. The Food, land use, and restoration Impact Program concept also was of great interest for the President who is working to establish land use planning priorities for his country to ensure food security for his people while preserving the environment. The President also expressed strong interest in blue economy and catalyzing the private sector investment through NGI as was done by Seychelles.
Brazil, China, India, Cote d'Ivoire, Mexico, Senegal	High-level bilateral meetings with ministers or senior officials at the margins of international meetings (e.g. World Bank Spring Meetings, UN Ocean Summit, others)	Broad support for the GEF helping countries catalyze transformational change across key systems and for GEF being more selective in its programming; the importance of close dialogue with national authorities was emphasized; strong desire to maintain country allocations.
Suriname and Guyana	During the Caribbean ECW	Bi-lateral meetings occurred with each country to specifically consult on the Amazon Landscapes Program. There was strong interest from both countries as to their possible participation in the Amazon Landscape Program and each country would assess in the coming

Stakeholder Group	When and How Consulted	Key Messages
		months whether this represented a high priority for their GEF-7 portfolio.
El Salvador	During the International Union of Forest Research Organizations meeting in Puerto Rico during 6-9 June 2017.	The discussions focused on the general interest of El Salvador in Landscape Restoration in context of the Bonn Challenge, to which El Salvador has pledged 1 million hectares. The discussions confirmed that Restoration is a priority environmental activity in El Salvador.
GEF Agencies		
All Agencies have been engaged in the overall consultations of GEF-7 programming Directions in a variety of ways.	<p>GEFSEC-Agency Retreat after May 2017 Council Meeting.</p> <p>Discussion on the role of the MDBs in the GEF Partnership, May 24, 2017</p> <p>Individual meetings with Agencies in response to requests</p> <p>Written feedback received from many agencies after Paris meeting and more recently.</p>	<p>Overall there is support for the general directions that the GEF-7 Programming is going. Many Agencies have engaged in providing the GEFSEC with concepts and position papers on where they see overlap of GEF-7 with their own priorities and where they can add value and play an important role. To date we have received briefs on Food and Land Use, and Restoration, Green Financing, Oceans and Fisheries, Energy, Chemicals and Waste, Environmental Security, and Integrated National Planning. These discussions will continue over the summer with more in-depth bi-lateral meetings.</p> <p>Agencies have also welcomed the Secretariat's invitation to work together on the further elaboration of key elements of the GEF-7 policy agenda, notably on results, operational efficiency and gender.</p> <p>The issue of complexity in GEF-6 has been raised by agencies and while all recognized some challenges that need to be overcome in designing these IAPs and IPs, there are some indications that once the architecture of these programs is in place, the benefits can immediately start to be seen and felt. This has been the case of the Commodities IAP, the Amazon Sustainable Landscape Program, the Wildlife Trade, and the Coastal Fisheries Initiative.</p> <p>In addition to the consultations led by the Secretariat, the MDBs hosted a productive dialogue with Participants to the replenishment on the margins of the May Council meeting. Many Participants welcomed the stated intentions from the MDBs play a more prominent role in GEF-7.</p>

<i>Stakeholder Group</i>	<i>When and How Consulted</i>	<i>Key Messages</i>
MEA Secretariats		
<p>All MEA heads and many technical staff have been briefed and engaged in providing upstream comments on the GEF-7 Programming Directions as well as on any gaps that may exist in integrating the Convention guidance into the GEF-7 strategy.</p> <p>Engagement plan on the replenishment process has been communicated to all MEA Secretariats by 3 May 2017.</p>	<p>Comments on Programming Directions from MEAs were requested and received by mid May 2017.</p> <p>MEA dialogue focusing on replenishment was held on 22 May 2017 at the margins of 52nd GEF Council to discuss cross-cutting comments from MEAs and the way forward. Exchanges have occurred with all MEA Secretariats and GEFSEC staff.</p> <p>Three Executive Secretaries and one Principal Coordinator participated in 52nd GEF Council and shared perspectives on 2030 Agenda and replenishment.</p> <p>A virtual consultation is scheduled in late August 2017.</p>	<p>Feedback has focused on: ensuring the COP guidance informs programming rationale (especially IPs) and methodologies more systematically; retaining the focal area strategies complemented by IPs with clear cross-linkages; aligning national priorities as articulated in plans and reports for all MEAs, and fostering cross linkages across MEAs. Clustering of IPs to reduce the numbers was suggested, while some MEAs also requested additional themes and geographical coverage (Africa, drylands). While different views on the level of integration in the programming were shared, all MEAs requested further clarity on how the Programming Directions can deliver on each MEA commitments while fulfilling GEF's role as financial mechanism to MEAs. SDG support, in line with COP guidance, was also requested.</p> <p>All feedback is compiled and common elements have been discussed with MEA Secretariat representatives on 22 May 2017¹⁰. Key elements, such as the focal area strategy retention, clarification on how COP guidance informs programming rationale, and further articulation of cross-linkages, are being addressed in the development of the GEF-7 draft.</p> <p>Bilateral and cross-MEA consultations will continue in 2017 and beyond. As there are three COPs (UNCCD, Minamata, UNFCCC) in the second half of 2017, the GEF Secretariat is consulting regularly with the relevant MEA Secretariat to discuss new guidance and how they may be addressed in GEF-7.</p>

¹⁰ <https://www.thegef.org/council-meeting-documents/summary-report-dialogue-multilateral-environmental-agreement-secretariats>

Annex II: Analysis of the proposed GEF-7 Impact Programs According to the “French Test”

1.a Alignment with countries' priorities	1.b Alignment with MEA objectives and guidance	2 The GEF's comparative advantage/ added value	3 Impact potential (more results or different results?)
Food Systems, Land Use, and Restoration			
<p>This Impact Program matches country demand based on our analysis of NDCs and NBSAPs, as well as our country consultations to date. In our analyses, 135 (94%) and 140 (98%) of countries listed food systems and landscape restoration as top priorities in their INDCs, NBSAPs, and UNCCD NAPs.</p> <p>Furthermore, a total of 34 GEF countries have signed the Bonn Challenge to restore 150 million hectares by 2020. Restoration of land and reduction of deforestation is vital for protection of biodiversity, as reflected in the NBSAPs of more than 100 countries. Our country consultations have also indicated a significant interest in this Impact Program at the highest level as a way to design and implement national strategies of sustainable land use planning. This reflects the importance that countries are placing on the critical role that food systems play in the global environment, and</p>	<p>This IP responds to guidance from MEAs and is in alignment with MEA commitments and targets dedicated to the restoration of degraded ecosystems including Aichi targets 14 and 15 of the CBD. Restoration through reforestation and sustainable management of forest plays an important role in the UNFCCC's REDD+ mechanism. And finally, restoration of degraded lands is key to achieving Land Degradation Neutrality (LDN) through UNCCD.</p>	<p>The GEF is well placed to advance transformational change in agriculture and land use systems in ways that maintain or restore ecosystem function and generate biodiversity, sustainable land management, and climate change mitigation benefits. This IP draws from GEF's vast experience in developing sustainable agriculture, SFM, commodities, and restoration programs, and ensures that the approach is integrated to enable the tackling of drivers of environmental degradation in a synergistic way. In particular, this will build on the experience of GEF-6 with the IAP on Food Systems, and the IAP on Commodities which have already put in place collaborations and networks that can continue to expand in this new IP. The GEF will play a catalytic in leveraging private sector engagement and co-financing while generating GEBs across different focal areas. We have already engaged in key players and participating with platforms such as TFA2020, the Global Restoration Council and the Bonn Challenge.</p>	<p>By employing a holistic approach to agriculture and land use systems that covers three core aspects of the land economy –sustainable food, zero-deforestation commodities, and landscape restoration – GEF can deliver multiple benefits in a more strategic and cost-effective manner and achieve transformational change that generates multiple Global Environmental Benefits (e.g., climate, biodiversity, land degradation, water).</p> <p>Through the holistic approach, the IP will harness the expertise, power, and reach within and across sectors, to foster innovations in land food system and land use practices, business model development, and institutional arrangements. This will go beyond business-as-usual approaches to influence potentially shift in the economic and political calculus of decisions by policymakers, private sector actors, and rural people</p> <p>The IP will enable countries to advance an integrated and coordinated approach toward tackling negative externalities along entire supply chains for major agricultural commodities and food value</p>

1.a Alignment with countries' priorities	1.b Alignment with MEA objectives and guidance	2 The GEF's comparative advantage/ added value	3 Impact potential (more results or different results?)
the priority for climate smart and sustainable agricultural practices.			chains. Multi-stakeholder coalitions will emerge that deliver results across a larger segment of the agriculture and land use spectrum, and private and public capital resources will shift toward supporting this transition in land management. Consequently, the integration and coordination of actions under the IP will ensure that countries avoid the likely risks of tradeoffs in generating global environmental and development impacts from implementing uncoordinated projects in the same systems or landscapes.
Sustainable Cities			
Transformation of urban systems is a top priority for nearly all GEF-eligible countries. 130 (91%) GEF countries identified a critical role to invest in sustainable urban systems (in particular in transportation, waste, and building), as reflected in the INDCs and NBSAPs. The high demand of this IP was revealed in the country consultations and also builds on the robust demand from countries to join in the Sustainable Cities Integration Approach Pilot (IAP) initiated in	Action in the urban space has been a priority for parties to the UNFCCC given the disproportional contribution of cities to the global GHGs emissions equation. The GEF-7 IP aims to include priorities from the CBD as included in its strategic plan.	This IP builds on the robust demand from countries to join in the Sustainable Cities Integration Approach Pilot (IAP) initiated in GEF-6. The objective in GEF-7 is to bring stronger coherence of interventions across an expanding network of participating cities through the enhancement of the Global Platform on Sustainable Cities (GPSC). The GEF-6 IAP has now engaged with key networks and providers of technical assistance and knowledge such as ICLEI, C40, and WRI. This represents a platform and set of resources on which GEF-7 investments can build on. Key to this IP will be to ensure	Under the Cities IAP of GEF-6 the GEF aims at moving from single sector investments scattered in urban space towards integrated sustainable urban planning approach. It is believed that this coordinated approach helps cities develop a holistic approach as they strive for greater ecological and economic sustainability. The Global Platform for Sustainable Cities is expected to play a key role as a source of expertise for cutting edge knowledge for integrated urban planning and a place for knowledge exchange by participating cities on integrated urban planning.

1.a Alignment with countries' priorities	1.b Alignment with MEA objectives and guidance	2 The GEF's comparative advantage/ added value	3 Impact potential (more results or different results?)
<p>GEF-6. This IAP was over-subscribed in GEF-6.</p>		<p>that cities move away from single-sector uncoordinated investments into more integrated multi-sector coordinated urban planning and investments.</p>	<p>Under GEF-7, the continued development of the Global Platform for Sustainable Cities will ensure that the results of each individual city project is enhanced compared to its implementation in isolation by providing access to technical expertise, knowledge, technologies and other resources that would not be available otherwise. Also, the integrated multi-sector urban planning framework which this program supports will ensure that each of investments are producing sustainable outcomes compared to isolated single-sector investments. All cities in the network will benefit and be able to contribute to raising the standard of project implementation by sharing and learning. The Global Platform will also link to outside networks that can in turn greatly enhance the quality of knowledge available to participating cities as well as gain benefits.</p>
Energy Breakthroughs			
<p>Almost all countries recognize that without transformation of the energy we cannot achieve the Paris Agreement or the Sustainable Development Goals. Among the GEF-eligible countries, 136 (95%) have</p>	<p>The Energy Breakthroughs Impact Program will contribute primarily to climate change mitigation, while also delivering key benefits in the chemicals and waste focal area. The Impact Program will</p>	<p>The GEF has a proven track record of establishing enabling conditions through policy and regulatory reform, and fostering innovative and risk-taking opportunities to promote low-carbon technologies. We will harness the GEF's proven ability to convene</p>	<p>Building on GEF's past successful interventions to support new technologies or business models paving the way for broad-based adoption and commercialization, and building on e.g. the success of the GEF's SEforAll accelerator platforms the IP will sharpen</p>

1.a Alignment with countries' priorities	1.b Alignment with MEA objectives and guidance	2 The GEF's comparative advantage/ added value	3 Impact potential (more results or different results?)
<p>identified priorities for energy efficiency, renewable energy, and energy access. This topic was also in raised in most country consultations to date.</p>	<p>also lead to other environmental, social and economic co-benefits, in alignment with the SDGs. Support for technology transfer and innovation on low-carbon energy technologies is a key guidance of the UNFCCC to the GEF. Principle indicators will be carbon mitigation in tCO₂e through carbon stored above and below ground, and through avoided emissions. This impact program will create synergies and opportunities to deliver benefits aligned with the Montreal Protocol, Stockholm Convention on persistent organic pollutants (POPs), and the Minamata Convention on Mercury, for which the GEF serves as a financial mechanism.</p>	<p>stakeholders and create networks for coordination and knowledge sharing to maximize leverage and impact. These networks will be important to ensure that new technologies and promising innovations can quickly be replicated and disseminated. New GEF-7 platforms for this Energy Breakthroughs Impact Program will be built on the model of the existing Energy Efficiency Accelerator Platform promoted under SEfor4LL. The new GEF-7 platforms will facilitate global coordination; set aspirational targets; define best practices; foster adoption of minimum performance standards, and facilitate private sector engagement. The GEF also has a proven track-record for identifying and piloting new business models for clean energy through non-grant instruments. Through tactical application of equity and guarantee, the GEF can accelerate energy breakthroughs that are on the cusp of commercialization.</p>	<p>the GEF's focus on a few selected energy breakthroughs with the potential for transforming the energy system. The IP would be able to more effectively foster sharing of best practices and technology transfer; raise visibility and prospects for commercialization; and attract private sector financing and investment.</p>
Sustainable Forest Management			
<p>Forests and their environmental importance is recognized by almost all countries around the world. This has been demonstrated by the huge</p>	<p>Forest conservation and management constitutes a major goal of the UNCBD, because forest loss and degradation is a major cause of</p>	<p>The GEF-6 experience with the Amazon Sustainable Landscapes Program can serve as a building block for continuing to deliver regional and global benefits from this</p>	<p>Several key forest ecosystems around the world are globally important for biodiversity and carbon storage such as the Amazon, the Congo Basin, as well as some important dryland forests. In</p>

1.a Alignment with countries' priorities	1.b Alignment with MEA objectives and guidance	2 The GEF's comparative advantage/ added value	3 Impact potential (more results or different results?)
<p>demand for the SFM incentive in GEF-6. We have also received significant demand from Amazonian and Congo Basin countries to support regional Forest Management Strategies that could build on the GEF-6 Amazon Sustainable Landscapes Program. In fact, we have received a signed declaration from 6 of the Congo Basin Countries in support of this program. Moreover, the President of Gabon provided his support to this program in his bilateral meeting with the GEF CEO.</p>	<p>biodiversity loss. The UNFCCC especially its framework of Reducing Emissions from Deforestation and Forest Degradation (REDD+) enshrined in the Paris agreement also targets forests and a means to achieve its overall mitigation goals. The UNCCD (and the new concept of Land Degradation Neutrality) invited the GEF to continue its support for the implementation of the convention in light of the 2030 Agenda for Sustainable Development, in particular target 15.3" and also "invited the GEF to consider technical and financial support for voluntary national land degradation neutrality target-setting (LDN)". This can only be achieved by including forested lands among other land uses. Finally, the UNFF provides a global roadmap for sustainable forest management and halting deforestation and forest degradation and serves as guidance to the GEF for its work on forests.</p>	<p>programmatic approach. This unprecedented regional approach and collaboration will serve as an example of what can be accomplished with more country buy-in the Amazon and also demonstrate how a similar approach can be developed in the Congo Basin.</p>	<p>these globally important ecosystems, we have the opportunity to change the future development trajectory from natural resource depletion and biodiversity erosion, to one based on natural capital management and productive landscapes. The latest science also indicates that these globally important ecosystems require integrated ecosystem-scale management for maintaining their "ecological integrity and functioning" and delivering Global Environmental Benefits. Against this background, In GEF-6, an Amazon Landscapes Program (ASL) that for the first time has brought 3 of the most important Amazonian Basin countries together was launched, to coordinate on important aspects of Ecosystem-wide management and development trajectories. The ASL program has focused on designing and implementing collaborative approaches to productive and conservation land uses that will provide for livelihoods while preserving the ecological integrity and global environmental value of this ecosystem. These approaches have the potential to be truly transformative, and ensuring that the integrity of these key ecosystems, and the services they provide, is at the center of a sustainable development model that provides for people and production.</p>

Annex III: A Preliminary List of Proposed, GEF-7 Core Indicators

In June, the Secretariat initiated Partnership-wide consultations on the below list of preliminary, GEF-7 core indicators. Some of the indicators include sub-indicators to allow for adequate disaggregation to meet the reporting requirements of the MEAs that the GEF serves.

1. Terrestrial habitat under improved conservation and sustainable use (million hectares)
 - Terrestrial protected areas created¹¹ (million hectares)
 - Terrestrial protected areas under improved management effectiveness (million hectares)
2. Marine habitat under improved conservation and sustainable use (million hectares)
 - Marine protected areas created (million hectares)
 - Marine protected areas under improved management effectiveness (million hectares)
3. Area of landscapes under improved management (million hectares; excluding protected areas)
 - Area of landscapes under improved management to benefit biodiversity (million hectares, qualitative assessment, non-certified)
 - Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations (million hectares)
 - Area of landscapes under sustainable land management in production systems (million hectares)
 - Area of degraded lands undergoing restoration (million hectares)
 - Area of High Conservation Value forest loss avoided (million hectares)
4. Area of marine habitat under improved management (million hectares; excluding protected areas)
 - Area of marine habitat under sustainable management to benefit biodiversity (million hectares, qualitative assessment, non-certified)
 - Area of marine habitat that meets national or international third-party certification that incorporates biodiversity considerations (million hectares)
 - Number of Large Marine Ecosystems with reduced nutrient pollution and hypoxia
5. Greenhouse gas emissions mitigated (million tons of CO₂e)

¹¹ Per the GEF biodiversity focal area strategy, new protected areas created with GEF support must meet the Key Biodiversity Area criteria.

- Above and below ground carbon sequestered and/or loss avoided (million tons of CO₂e)
 - Greenhouse gas emissions avoided (million tons of CO₂e)
6. Number of shared water systems (fresh or marine) under cooperative management
 7. Globally over-exploited fisheries moved to more sustainable levels (percent of fisheries, by volume)
 8. Solid and liquid POPs and POPs containing materials removed or disposed (metric tons/POPs type)
 9. POPs resulting from emissions (grams of toxic equivalent gTEQ) reduced
 10. Mercury reduced (metric tons)
 11. ODP (HCFC) reduced/phased out (metric tons)
 12. Number of countries with enhanced transparency through access to resources of the Capacity Building and Transparency Initiative
 13. Number of Planning Frameworks developed or improved that integrate measurable targets
 14. Number of countries with developed or improved functional environmental systems to support decision making
 15. Number of direct beneficiaries (number), disaggregated by gender