

PROGRAMMING DOCUMENT COMMENTS FROM NORWAY

Norway welcomes the document on “Draft GEF-6 Programming Directions” (GEF/R.6/07) as the basis for discussions on long term strategies for the GEF. In our view the document contains very interesting and ambitious thoughts on the way forward for international financing of global environmental challenges. At the same time, many of the issues raised in the programming document need to be discussed in more detail before final policy decisions are made. The cost perspective must also, obviously, be addressed.

Below you will find our comments at this first stage, comments of a more general nature as well as remarks on the suggested signature programs and the focal areas. We will submit further comments as the discussion evolves. The comments made at this stage are without prejudice to our final decision on the replenishment level.

Comments on the strategic approach in document GEF/R.6/07

Norway shares the basic assumptions underpinning the proposed strategic approach, including the new signature programs. It is clear that “business as usual” will not suffice to handle the present threats to the global environment and that new approaches are needed. The focus on global commons seems justified, and we also agree that real progress towards sustainable development depends upon mainstreaming in the important sectors of the economy.

However, it does not necessarily follow from the above argument that the GEF should be transformed into a different institution from today. To a large extent this will depend on what kind of role we foresee for the GEF compared to other agencies working in relevant areas. GEF has over time evolved into an institution of great importance for the global environmental agreements. In practice, the GEF will in many cases be the only realistic choice for financing these agreements, one recent example being the mercury convention. In addition, the GEF is the most important institution that can be approached for recipient country driven projects to implement such agreements. Care should be taken not to undermine these vital functions of today`s GEF.

It is clear from the OPS 5 that the new programmatic approach suggested in document 6/07 to a certain degree is based on developments in GEF through the years, with increased emphasis on multi-focal approaches. Nevertheless, if suggestions in 6/07 are fully implemented, we may see a very different GEF in the future compared to what countries have been used to. Some basic issues in this regard are:

- Suggested changes for the GEF would move the institution more into mainstream economic sectors, closer to the operating “landscapes” of other organisations, including those that finance “development” more generally. For us, it is not clear that GEF should evolve into such an institution. Focus should continue to be on sustainable development with emphasis on global environmental issues. This does not negate the importance of anchoring projects/programmes at local levels, to the extent possible. It is clear, however, that more discussion is needed on the particular “niche” of the GEF in the total financing landscape if GEF strategies are to be radically revised.
- The point mentioned above is also relevant for the issue of incremental costs. There may be challenges to preserving the integrity of this concept when/if moving closer to

the mainstream of important economic activities? This issue needs to be further explored.

- When wanting to address “drivers” behind unsustainable production patterns, one is clearly also moving into more politically sensitive areas. This can clearly be seen in the outlines presented for the proposed signature programs. To mention just one issue here, efforts to make more environmentally sustainable supply chains for commodities will probably face several challenges. This does not mean it is not a good idea, but one must foresee that such programs could be more complex – and at times controversial – than traditional country driven projects.

To sum up, we appreciate the efforts to discuss long term strategy, and we agree that more forceful intervention is needed to safeguard global commons. The question remains, nevertheless, what should be the GEF’s particular role? It is clear that the multi-focal programs have been a sound development for the GEF. In the same vein, signature programs would merit consideration when further developed. Further developments towards a “future GEF” should proceed with caution in order to ensure that the vital role played by the GEF for the global environmental agreements, and the *global* environment, is maintained.

Comments on the proposed signature programs

According to the draft programming document, the signature programs can be seen as pilot programs for moving GEF in a more strategic direction. At the first replenishment meeting, there were somewhat different views on these programs. While there were no clear objections to such programs on a pilot basis, there were also words of caution as well as arguments for “going slow”. Some representatives were concerned that such programs should not be given priority in a way that would diminish available resources for more traditional country driven programs. Thus, creating space for such programs while also catering to needs for more traditional set-asides and more cross-cutting issues, while also preserving the integrity of the STAR, will be challenging.

As a starting point, Norway is in favour of developing this kind of programs. However, it should be done in a manner that does not undermine the particular strengths of the GEF and the credibility GEF now enjoys. The proposed signature programs will also need to be elaborated in more detail before we have a good basis for decisions, cf. the following concrete remarks on some of the proposed programs:

- *Forests*: The ideas for catalyzing more sustainable production patterns for commodities are interesting. However, there is a need for more details on how this is going to happen in practice, given the controversies surrounding several certification systems.
- *Food security*: The present outline is rightly focused on land use, while the issue of genetic resources for food and agriculture is not really emphasized. Given that crop varieties currently in use may prove unsuitable in a few years` time in certain areas affected by climate change, any program on food security should pay attention to this issue.
- *Oceans and Seas*: The proposed program on Rebuilding Global Fisheries sets some very ambitious goals. More details would be needed for this program as well, in

particular on how the program, in practice, would catalyze policy, legal and institutional reforms, at the national as well as regional and international level.

- *Sustainable cities*: In this program, there seems to be a strong focus on pilot projects and innovative mechanisms, but the present description of planned activities is still quite general and would need to be elaborated.

Comments on focal areas

Biodiversity: Here we would like to refer to document UNEP/CBD/COP/DEC/XI/5. The keyword here would really be the implementation of the Strategic Plan for Biodiversity 2011-2020.

Climate change: Norway appreciates that GEF relates its own activities to other relevant ones and makes efforts to play a complementary role. It is too early to tailor the GEF-6 strategy to the mitigation activities that will be developed in the GCF, but it will be important to achieve complementarity between the two funds in the future. When elaborating envelopes for GEF 6, it will be important to maintain a certain flexibility for the climate change focal area, so as to allow for possible adjustments in light of developments outside the GEF.

In general we are supportive of the approaches taken in the document, including the willingness to continue with pioneer projects that can later be replicated and scaled up. We also appreciate the focus on short lived climate forcers, result based approaches and efforts to achieve increased precision in monitoring emissions from deforestation and land use. Support for integrating climate in national development agendas and for National Communications as well Biannual Update Reports is also highly important.

The Annex on innovative programming options contains some interesting ideas, some of which should be further explored.

We also note that there are priority areas that overlap with similar World Bank priorities including “climate smart” agriculture, land use and emissions from forests and big cities. We trust that such related activities are implemented in mutually sustainable ways.

Forest related issues (relevant for activities under several focal areas): Many developing countries are establishing national strategies for reduced emissions from deforestation and forest degradation, frequently financed through other multinational efforts like the Forest Investment Program, Forest Carbon Partnership Facility and UN-REDD. GEF projects that aim at reduced emissions from deforestation or that address climate forcers should be explicitly linked to such national strategies. This is particularly important with regard to MRV for GEF projects, to avoid leakages. MRV activities financed by the GEF should be supportive of existing processes - one should not create parallel MRV systems.

Norway is highly supportive of the focus on underlying drivers behind deforestation and forest degradation, including efforts to achieve “climate smart” agricultural systems, wise use of already degraded areas as well as incentives for “deforestation free” production chains for cattle and other agricultural commodities. Through projects prioritized by national governments that are linked to national REDD strategies and emission monitoring at the national level, GEF can help countries to be eligible for receiving payments for reduced

emissions from the forest sector, thereby contributing to the transformational change that is needed.

International Waters: We appreciate the pro-active approach taken to IW, given that this FA does not have a global convention as «champion». We may come back with more detailed comments, but would underline the importance of conflict reduction and synergies potential with other areas.

Chemicals: We believe the draft GEF-6 focal area strategy on chemicals and waste is a good start for discussions, and we believe the basic approach is workable. GEF's catalytic role in funding chemicals through its Chemicals focal area is well laid out in the first part. Still, we believe this area will be a challenging one for the GEF, since there is both a new mercury convention for which the GEF has been invited to serve as financial mechanism, coupled with an ambition to have an integrated focal area to serve, within its mandate, chemicals and waste activities more broadly. In our view, the strategy can still be improved in showing how the GEF will seek to provide financing for both the conventions and for other activities to reduce risks from chemicals and waste.

As a starting point, we welcome the holistic approach taken in the new strategy where the strategy encompasses chemicals and waste. However, we believe this approach needs to be combined with clarity on the need for focused efforts to implement the Stockholm and Minamata conventions, where the GEF serves as financial mechanism and has, or will have, a formal relationship with them. It is particularly important that the GEF clearly lays out how it will combine the role of being the financial mechanism of the Stockholm and Minamata conventions, continued support for activities related to the Montreal Protocol, and providing support for the general and broader chemicals and waste agenda, such as the broad chemicals management agenda of SAICM or waste. In particular, many areas of waste management are local in nature and would fall outside the scope of the GEF to finance. It would be helpful to better clarify what would be within the scope of financing for the GEF, also giving better guidance on this to those who would look to the GEF to finance activities in the waste area.

This holistic approach is combined with rather general objectives, two of which are related to enabling activities and the provision of funds to SIDS. It is therefore quite important to get strategic objective 2 right, since it to a large degree is reflecting the substance of what the GEF will provide finance for under the conventions, or for reducing risks from chemicals and wastes more generally.

Some more detailed comments:

- Under objective 2, the three first programs reflect some general aspects of chemicals policy; eliminating harmful chemicals, supporting alternatives and promoting innovative financing. There is also a substance-specific fourth program for ozone depleting substances, which does not fit in, since ODS concerns are also reflected in the first three programs. We believe that under this objective, it would have been more clear to set out more distinct initiatives, outcomes and indicators related to POPs and mercury - as well as ODS, possibly arranging the programs so as to better reflect the conventions, as has been done for ozone-depleting substances. Many initiatives for POPs and mercury that would be natural activities to implement the conventions are left out in the listing, which creates the impression that activities at a general level, rather than as specified under the

conventions, have priority. Using “chemicals and waste” as terminology in many parts of the strategy may have the unintended effect of confusing the reader as to whether the GEF will be giving sufficient attention to financing for the legally binding conventions.

- The newly agreed upon *Minamata Convention on Mercury* will be a legally binding instrument where the GEF will serve as the financial mechanism. Although only one substance, the challenges for reducing releases of mercury are multi-faceted and complex. The financial mechanism will play a key part in providing financial resources for a range of measures. After intense negotiations on the financial mechanism, it is important that the GEF strategy highlights its new role as a financial mechanism for the convention, and how it will fulfill it, pending guidance from the Convention itself when it enters into force. This should be done throughout the strategy, from the introductory parts as well as the objectives. It would be particularly useful if the strategy could clarify how the GEF could finance activities in the interim phase, before entry into force, and without pre-empting the latter.
- The programs, outcomes and indicators also should somehow be connected to the guidance from the conventions, possibly also input from SAICM. The overall goal of minimizing significant adverse effects from chemicals and waste by 2020 is a SAICM goal, and it is a policy framework for promoting sound management of chemicals worldwide that has support from a broad range of stakeholders, including industry and NGOs. Waste is also within the scope of SAICM. It would give greater weight to the strategy if there was a great deal of coherence between SAICM policy objectives and those of the GEF strategy.
- Elements of the integrated approach to financing chemicals and waste (FOCW) suggested by UNEP are included, in that waste is included in the strategy. However, it is difficult to see how its concepts have been integrated into the draft strategy. In particular, we believe the concept of the integrated approach that dedicated external financing would be supported and strengthened by the complementary tracks of mainstreaming and industry involvement, would be ideas that could be emphasized and built upon in the strategy.