

Position of East European and Central Asia Countries

We express our sincerest appreciation for the work of the GEF and support the main GEF strategic directions. We welcome GEF intention to improve and adapt to constant changes in this hectic world.

GEF-6 offers a number of promising and genuinely innovative opportunities to GEF recipient countries. However, as the representative of East European and Central Asia recipient countries, we have to emphasize that there is a considerable risk facing our region that it will be excluded from some programming opportunities.

As presented, GEF-6 will consist of 6 Focal Area Strategies and 5 Signature Programmes. Recipient ECA Countries may have difficulties accessing some or all of each of these. Therefore we would like to point out the following issues related to:

- Focal area strategies
- Signature programmes

FOCAL AREA STRATEGIES:

- *Biodiversity Focal Area Strategy* – out of its 10 programmes, 3 will definitely not be relevant to us (Programme 4, African poaching; Programme 5, extinction in island ecosystems; Programme 7, coral reefs). GEF biodiversity strategy should also pay attention to all sensitive ecosystems not only to most diverse ones. Also, importance of increase and sustainability of protected areas is of major importance for our countries. Protection of High Mountain Biodiversity of Central Asia countries is one of the important issues, so we suggest to think on this issues.
- *Climate Change Mitigation Focal Area Strategy* – provides possible opportunities for us in energy efficiency, sustainable transport, integrated low-carbon urban systems... All three objectives of this focal area: 1) promote innovation and technology transfer, 2) demonstrate systematic impact of mitigation options and 3) foster enabling conditions to mainstream mitigations concerns, do fit into our countries' strategies and we see this focal area as our main opportunity.

Further clarification is needed on how you see middle income countries in this focal area. Although partnership with private sector is very much supported, clearer guidance on the role of private sector in technology transfer and innovations is necessary. Mitigation activities are one of the most important factors in combating climate change. A clear link should be made between GEF plans, national strategies/plans in low-emission development and internationally "recognized" projects such as national appropriate mitigation actions (NAMA's). We encourage a robust MRV (monitoring-reporting-verification) system to assess the expected tangible results in terms of global environmental to be introduced for projects addressing climate change mitigation issues.

We strongly support GEF statement that National Communications, Biennial Update Reports (BUR's) and NAMA's form the core of countries' activities in GEF 6 and it should be taken into consideration with project selection and significant funds allocation. When it comes to project sustainability, we suggest that implementing agencies or beneficiary countries have an obligation to report for designated number of years on continuous results of the projects eg. achieved energy savings, emission reduction, developed capacities etc.

- *Chemicals & Waste Focal Area Strategy* – This is a new emerging area and we are of the opinion that resources earmarked to meet these objectives are not currently enough. GEF support to reaching WSSD (World Summit on Sustainable Development) 2020 goal should be strengthened – the goal that “by 2020 that chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment”. Further clarification should be sought how these objectives of this focal area are linked to Stockholm, Basel, Montreal conventions.
- *International Waters Focal Area Strategy* – sustainability of international waters is of crucial importance for economic and social development. A potential overlap with Biodiversity focal area in Program 1.2: Increase the Resilience and Flow of Ecosystems Services in the Context of Melting High Altitude Glaciers and objective 3 (Catalyze investments to rebuild marine fisheries, restore and protect coastal habitats, reduce pollution of coasts and Large Marine Ecosystems (LMEs) and enhance multi-state cooperation) exists. A role of international waters is also to be considered in disaster risk reduction.
- *Land Degradation Focal Area Strategy* – more attention should be put on draught, land privatization and its further utilization. Activities should be focused on how to assist countries to avoid further land degradation and if applicable, on how to restore land that is already degraded, taking into account the need to combat climate change and enhance food security.
- *Sustainable Forest Management Focal Area Strategy* –there are many references in the draft Programming Strategy to synergies with UN-REDD and the World Bank's Forest Carbon Partnership Facility (FCPF), which puts in an unfavorable position countries which are not eligible for UN-REDD or FCPF. There is a danger that it will not be favored for GEF-6 SFM funding.

SIGNATURE PROGRAMMES:

We do support GEF's intention to move towards a more program based approach. Although a shift towards a more program based approach would to some extent be an extension of the shift toward more integrated approaches to project design and implementation, we do not think it would also require a more strategic resource allocation system with less emphasis on earmarked country allocations. Countries do count on country allocations. Projects are submitted in line with country allocations. If there are more uncertainties regarding objective or country allocations, countries/organizations will be less likely to invest into quality project applications.

Although holistic approach is very welcome, it should be borne in mind that countries, in applying for funds either directly or via implementing agency, are guided by the amount of funds earmarked for them. Projects are developed based on countries need and strategies, but investment in project development is costly and heavily depends on a size of the project. We are afraid if earmarked allocations for countries are not clear, we may end up with unrealistically large projects or with no projects at all due to unclear leading instruments.

Rebalance within focal areas has always been present, but again quality project applications are, besides country needs, also led by amount of funds available.

We understand that pilot signature programs offer the possibility of more targeted investments directed at stopping alarming trends in the global environment. However, we would like to call for certain flexibility to address following:

- *Commodities Signature Programmes* – this will focus on beef, soy, oil palm, pulp paper etc. production, none of which are particularly important to us. Our regions possess commodities such as biomass, coal which are of significant importance for global environment.
- *Rebuilding Global Fisheries* – this will focus on coastal fisheries. Since the emphasis seems to be on the oceans, this Signature Programme is likely to be of limited relevance to us.
- *Sustainable Cities* – is about 4-5 countries, targeting cities with rapid urbanization, with Asia and Africa already identified by GEFSec as priorities. Having in mind urbanization challenges we are facing, we would like to be given equal opportunities to access this programme since we believe that a significant contribution to sustainable cities could be also done for region which I represent.
- *Sustainability and Resilience for Food Security in Africa* – very important and highly supported by our constituency.
- *A New Development Path for the Amazon Basin* – very important, but not relevance to us.

It is clear that some strategies and priorities in GEF-6 are intrinsically out of our reach. However, we wish to emphasize the importance of ensuring access for countries of our region to strategic

areas that are theoretically eligible – e.g. commodities supply chain, sustainable cities, climate-smart agriculture – but which may be structured in such a way that we are, in practice, excluded.

At the end we wish to highlight a possible tendency in GEF-6 to target (a) priority themes (such as the Amazon river basin) and (b) countries that are considered to be particularly deserving of GEF support (e.g. LDCs, SIDs) at the expense of countries, with considerably more developed governance systems and economies, and where project implementation is less risky.

Our countries, may not be top priorities from a biodiversity, land degradation or a forestry (etc.) perspective, but the GEF can be relatively confident that a project implemented in Bosnia and Herzegovina or in Ukraine or in Montenegro has a high likelihood of success compared with other, riskier countries. This implementation risk aspect needs to be incorporated into GEF-6 strategic thinking and resource allocations.

We would like you to bear in mind that countries of our region are fertile ground for GEF's tendency to support innovations in policy, technology and financing of low-carbon activities, and on technology transfer, having in mind the fact that the GEF has a long history of providing support for piloting of emerging technologies, management practices, policies, and financial tools for the benefit of the global environment. We are of the opinion that GEF should explore ways to incentivize middle income countries to provide contributions, rather than limiting their access to focal areas and programmes.