GEF/C.50/Inf.03
June 03, 2016

50th GEF Council Meeting
June 07 – 09, 2016
Washington, D.C.

Agenda Item 04

UPDATE ON GEF2020

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INTRODUCTION

1. **This paper serves as background for the Council's discussion of the GEF strategy that has been held annually since the adoption of *GEF2020—Strategy for the GEF* in June 2014.** It is aimed at facilitating constructive discussion among Council Members about the GEF's evolving operational context and strategy directions. The document presents emerging lessons at the mid-point of GEF-6 with a focus on key strategy directions as laid out in GEF2020. It complements and cross references other updates for the Council on GEF-6 implementation, including on policy and operational issues, and the Integrated Approach Pilots (IAPs). The document is not intended to present a detailed analysis of all aspects, but rather to provide an overview of key issues. No Council decision regarding updates to GEF2020 is contemplated at this time.

2. **This document is organized in five sections.** The first section presents the evolving operational context for the GEF. Section two discusses GEF-6 experiences with addressing the drivers of environmental degradation through integrated programing. Section three discusses the GEF's role in the context of the evolving architecture for global environmental finance, with a particular focus on climate finance. Section four briefly highlights aspects of GEF-6 work on resilience. Finally, section five, building on other Council documents, highlights a few elements of the ongoing work to further strengthen the effectiveness and efficiency of the GEF partnership.

THE EVOLVING CONTEXT

3. **Global-scale environmental degradation continues largely unabated.** Driven by past and continued high greenhouse gas (GHG) emissions, global average temperatures continue to rise. The year 2015 was the warmest year on record, and 2016—influenced by El Nino effects—is on track to be even warmer. Extreme droughts are affecting many countries, especially in sub-Saharan Africa, India and the Middle East, exerting significant additional stress on already fragile countries and communities. A possible sign of positive change is that 2015 is estimated to be the first year on record in which global CO_2 emissions declined, while the global economy continued to expand. Moreover, total global investments in renewable energy are estimated for the first time to have exceeded those in fossil fuel. At the same time, deforestation and biodiversity loss continue at alarming rates. FAO estimates that during the 5-year period from 2010-2015, nearly 7 million ha of natural forest was lost, mostly in the tropics. The rate of loss has, however, to be slowing from 0.18% in the 1990s to 0.08% over the past 5 years.

4. **2015 was a landmark year for the global commons, capped by the adoption of the Sustainable Development Goals (SDGs) in September and the Paris Agreement in December.** The SDGs and the Paris Agreement, with their universal coverage have established a clear pathway for the promotion of sustainable solutions for the planet. An important impetus for the SDGs and the Paris Agreement was the recognition, in the spirit of the 1992 Earth Summit, of the importance of the health of the global environmental commons for sustainable

development. Healthy oceans, forests, land, a stable climate, safeguarding biodiversity and the elimination of toxic chemicals are all firmly embedded in the SDGs or the Paris Agreement. The GEF is well positioned to contribute to addressing multiple SDGs, given the GEF's core mandate, the focus of its strategic investments, and co-benefits in terms of for example poverty reduction and gender equality.

5. **Multi-stakeholder coalitions have a key role to play in shaping action in support of the SDGs and the Paris Agreement.** The Lima-Paris Action Agenda (LPAA), for example, in part building on the September 2014 UN Climate Summit, mobilized a broad coalition of non-state stakeholders-- including cities, businesses, finance and civil society-- around climate action before and during the Paris COP. Also a large number of new multi-stakeholder initiatives have emerged across GEF's areas of work, like the Tropical Forest Alliance focusing on eliminating of tropical deforestation, the Bonn challenge on land restoration, the Compact of Mayors or the RE100 initiative (committing companies to 100% renewable power). The plethora of initiatives, while putting a premium on collaboration and coordination, reflects a renewed recognition that, if we want to generate a positive impact for the global commons, we must accelerate our collective efforts through broad-based global movements.

6. **Implementation is the challenge before all actors.** To succeed, a rapid and large-scale transformation in key global economic systems is needed. The environmental footprint of global food production must be dramatically reduced, while the increase in global food demand in the coming decades must be catered for. The global energy system would need to be significantly reshaped to reduce its CO_2 emissions. Success or failure will largely be determined by a how clean and compact our cities in the future are. Manufacturing processes need to go much further in terms of incorporating the principles of a circular economy. These various issues are well captured by the SDGs, and underscore the importance of bringing multiple stakeholders along.

7. **GEF support for mobilization of action for the global commons.** To mobilize action, the GEF, through IUCN, is partnering with a coalition of renowned scientists led by the Stockholm Resilience Center and the International Institute for Applied Systems Analysis (IIASA) to identify science-based transformative solutions for the global commons. Other partners, like the World Resources Institute and the World Economic Forum are joining this effort, focusing on policy issues around selected strategic action areas like energy, food, and urban systems and more. The initial findings of the work will be presented at a Global Commons meeting in October 2016 in Washington DC.

Addressing Drivers Through Integrated Programing

8. **GEF2020 places strong emphasis on the importance of the GEF to focus on addressing key drivers of environmental degradation.** GEF-6 has produced a number of interventions that proactively address the underlying drivers of global environmental degradation through committed multi-stakeholder coalitions. To overcome multiple barriers, in the context of increasingly complex environmental challenges, a variety of influencing models are being used,

which are often working towards delivering results across multiple geographies, sectors and markets. At their core, these interventions seek to achieve market or behavioral transformations, and in many cases to integrate focal area and convention priorities into a broader set of policies, strategies, programs and actions.

9. **The Integrated Approach Pilots (IAPs)[1] were designed to deliver integrated solutions focusing on the drivers of environmental degradation in a few selected areas.** Three IAPs were approved by the Council in June 2015: (i) Sustainable Cities; (ii) Taking Deforestation out of the Global Commodity Supply Chains; and (iii) Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa. The IAPs are seeking to build broad stakeholder coalitions across multiple countries, regions and sectors to achieve impact at larger scale. One common feature of the IAPs is the establishment of global knowledge platforms, with the aim of facilitating broader scale uptake of lessons learned and application of cost effective approaches (see Box 1).

10. **Early experiences with the IAPs suggest that they are strongly aligned with country priorities, and offer a useful platform for countries to come together around common challenges.** There has been very high demand from countries to join both the Sustainable Cities and the Food Security IAPs, both of which are built on the inclusion of country-specific child projects. The Food Security IAP had a pre-determined geographic scope to focus on dryland countries in Sub-Saharan Africa, and quickly attracted 12 countries. Similarly, the Sustainable Cities IAP, which has a global reach, was rapidly programed to capacity. The demand from countries towards joining the IAPs suggests not only that these Pilots are well-aligned with country priorities, but also that countries see value in being part of a bigger, coherent program that may not be as easily realized through single, free-standing projects (see Box 1 for some examples of key features of selected GEF-6 programs).

11. **The experience in GEF-6 to date suggests increasing interest in tackling global environmental degradation through programmatic approaches, leveraging the GEF's convening power.** The high country demand to become part of the IAPs and other programs indicates that the GEF has considerable convening power towards creating and directing larger partner coalitions towards transformational solutions. As emphasized in GEF2020, mobilizing a broad range of stakeholders will be increasingly important as the GEF seeks to deliver complex, driver-focused interventions. This requires the alignment of state-of-the-art science with actionable solutions, while relying on a critical mass of stakeholders across a wide range of regions and sectors to promote innovation in the design and scaling-up of efforts.

12. **IAPs and other programs have helped energize the GEF partnership.** The IAPs and other programs have spurred extensive dialogue and exchanges within the GEF partnership, in

[11] See GEF/C.50/Inf.04, *Tackling Global Environmental Challenges through the Integrated Approach Pilot Programs* for the latest update on the status of implementation of the IAPs.

part reflecting the inherent challenges in establishing such multi-stakeholder platforms[2]. Experience suggests that GEF Agencies have effectively leveraged their respective comparative advantages in the development of closely interlinked “child projects”. STAP has been early and actively engaged in the design of the IAPs and other programs. In addition, significant efforts have been made to strengthen country programming processes, including consultation meetings with a broad spectrum of government partners. Moreover, the programs have engaged a broad range of stakeholders across private sector companies, development organizations, financial institutions, academia and think tanks. These various efforts have enabled the collection of valuable inputs towards the design of child projects, increased the common understanding of approach and methodology behind the IAPs and programs, and in that way contributed significantly towards energizing the entire GEF partnership.

13. **The GEF’s efforts to address drivers are not limited to the IAPs and key programmatic approaches.** The June 2016 Work Program, for example, contains several national and regional projects that aim to address targeted drivers of environmental degradation, including land-use and habitat loss, over-exploitation of marine fisheries, unsustainable agricultural production practices, as well as the inadequate management and disposal of POPs and other chemicals. Many of these projects and programs also promote multi-stakeholder coalitions at the regional, national, sector or landscape levels.

[2]: The IEO’s Evaluation of Programmatic Approaches in the GEF is being conducted between October 2015 and June 2017. Preliminary findings on the results and performance of GEF programs since their introduction to date is expected be presented to Council in October 2016. The full report will be presented to Council in June 2017. This evaluation will inform the planned IAPs’ Mid-term Review, a formative real-time evaluation that will build on the evaluative learning generated during this evaluation and focus on process and design aspects as they relate to the IAPs.

Box 1. Key Features of Selected GEF-6 Programs

<u>Taking a landscape or biome-level approach</u>: ***The Amazon Sustainable Landscapes program*.** The Amazon Sustainable Landscapes program represents an example of a collaborative systems approach, which have brought Amazon countries together to consider conservation and sustainable development at the basin level. This approach, which combines national and regional action, allows for a new level of investment and cooperation that effectively brings development partners (i.e. public and private, federal and local) together to unify and harvest multiple benefits across thematic areas such as biodiversity conservation, forest management, rural development and poverty reduction. The design of the program ultimately will help address drivers of deforestation, along with common threats, so as to secure the long term maintenance of the forest cover and flow of ecosystems services of which all countries depend. The Amazon program contains includes a strong coordination and knowledge management component, meant to improve national and regional inter-agency coordination, while also securing the uptake of lessons and cutting-edge knowledge across the child projects and the wider portfolio.

<u>A "supply-chain approach" to tackling biodiversity loss:</u> ***The Illegal Wildlife Trade program*.** There is an urgent need to address wildlife poaching. The Illegal Wildlife Trade program creates strong alignment between biodiversity conservation, sustainable livelihoods, and poverty reduction and represents a first-of-its-kind suite of investments focused on a coordinated to response to a key driver of biodiversity decline, namely illegal wildlife trade. Consequently, interventions will not mainly focus on mitigating pressure points as part of a single species or site approach, but on strategic interventions addressing the entire "supply chain" of IWT. Investments span across site-specific interventions meant to strengthen local monitoring and enforcement, to working with governments on the "supply side" to tackle trafficking, and with government in countries on the "demand side" to contain end-user demand.

<u>Emphasizing global knowledge sharing:</u> Almost all GEF programs have a strong emphasis on cross learning; one example is the ***Coastal Fisheries Initiative.*** Fish provide 4.3 billion people with some 15% of their animal protein and essential nutrients for growth and maternal health, while marine fisheries in particular provide an estimated 60 million jobs of which many are located in the developing world. However, coastal fisheries face many challenges, hereunder exploration at or beyond their biological limits, leading to a decline in their economic and social performance. It is recognized that to reverse this decline and to preserve ocean health and livelihoods, systemic efforts are needed, targeting a set of complex drivers. The Coastal Fisheries Initiative is designed towards complementing the GEF multi-country Large Marine Ecosystem approach by investing in a subset of preselected areas, each representing various dimensions of the challenges facing coastal fisheries of global importance. The consequent series of lessons learned and best practices addressing governance and management barriers will be elevated to a global partnership component and a challenge fund, providing an impactful and cost effective way of increasing coordination and replication amongst governments, development partners and environmental groups. The **IAPs** also include strong knowledge sharing platforms. For example, the Sustainable Cities IAP has established a Global Platform to enhance global knowledge sharing about city-wide sustainable planning, in partnership with existing networks like ICLEI, C40 and others. Similarly, the Food Security IAP is advancing multi-stakeholder platforms of local research institutions, governments, the private sector and others to support and mobilize local farmers around sustainable land management practices tailored to their specific needs. Finally, the Commodities IAP seeks synergies and knowledge sharing across selected global commodity supply chains (palm oil, soy and beef).

GEF'S ROLE IN THE EVOLVING GLOBAL ENVIRONMENTAL FINANCING ARCHITECTURE

14. **The global architecture for global environment financing is evolving rapidly with the emergence of numerous new public and private financing vehicles.** With respect to public financing vehicles, the operationalization of the Green Climate Fund (GCF) during 2014-2015 that culminated in the approval of the first batch of projects in the run up to the Paris COP represents a key milestone. The year 2015 also saw significant increases in commitments to climate finance from multilateral and regional development banks, as well as from bilateral donors. Beyond climate, several new funding vehicles were established, including for example the Land Degradation Neutrality Fund being established under the auspices of the UN Convention to Combat Desertification (UNCCD)'s Global Mechanism or the newly inaugurated Asian Infrastructure Investment Bank (AIIB).

15. **Growth in private "green" financing has been particularly rapid.** After leveling off in 2012, and declining in 2013, the amount of climate finance invested around the world in 2014 increased by 18% from US$331 billion to an estimated US$391 billion, according to the most recent data from the Climate Policy Initiative (CPI). Private investments accounted for by far the largest share of the US$60 billion increase from 2013 to 2014, as private climate investments reached US$243 billion, up nearly US$50 billion from 2013. In parallel, the policy attention to green finance also increased, spearheaded by for example the release to the UNEP Inquiry, the Task Force on Climate-related Financial Disclosures, established under the auspices of the Financial Stability Board to develop voluntary, consistent climate-related financial disclosures for use by companies in providing information to lenders, insurers, investors and other stakeholders, and the release of new guidelines for Green Bonds issued by the People's Bank of China. In parallel, the private market for conservation finance is also developing rapidly, albeit from a low base[3].

16. **As financing mechanism for a number of multilateral environmental agreements, the GEF occupies a unique space in the global environmental financing architecture.** With respect to climate change, The Paris Agreement and its decisions reaffirmed the GEF's critical role in the rapidly evolving global landscape for climate finance and its role as part of the Financial Mechanism serving the Paris Agreement[4]. The GEF was requested by the COP to consider how to support countries in formulating policies, strategies and projects to implement activities that advance priorities identified in their intended National Determined Contributions (iNDCs). The Agreement also requested the GEF to support the establishment and operation of a Capacity-Building Initiative for Transparency (CBIT), to strengthen the institutional and technical capacities of developing countries to meet the enhanced transparency requirements in the Paris Agreement.[5] In addition, Paris also saw an additional US$252 million mobilized for the

[3] See e.g. *Conservation Finance. From Niche to Mainstream: The Building of an Institutional Asset Class*. Credit Suisse 2015.
[4] See document GEF/C.50/09
[5] See document GEF/C.50/05 and GEF/C.50/06

Least Developed Countries Fund (LDCF), underscoring the continued, significant need for adaptation funding for the most vulnerable countries.

17. **Beyond UNFCCC, other Conventions for which the GEF serves as financial mechanism—CBD, UNCCD, Stockholm and Minamata—are in various ways seeking to mainstream their work into broader policy work**. For example, a key focus area for the upcoming CBD COP13 in Mexico will be how global biodiversity objectives can be achieved in conjunction with national aspirations for agriculture, forestry, fisheries and tourism. Enhanced efforts will be made to find ways to make sure that the value of biodiversity can be incorporated in planning and investment decisions by governments at all levels and the private sector. CBD will also be looking to review the Strategic Plan for Biodiversity post 2020. Another example is the 2015 UNCCD COP in Turkey, which adopted the concept of Land Degradation Neutrality, aligning itself closely with the SDGs and emphasizing the multiple environmental benefits that can be realized from appropriate investments in sustainable land management.

Complementarity in Climate Finance

18. **Specifically in the climate finance area, GEF's features and track record places it in a good position to complement actions from other actors, including the Green Climate Fund.** These include in particular (i) the GEF's focus on a broad range of global environmental objectives, enabling the GEF to take an integrate approach to tackling climate-related issues; (ii) GEF's ability to provide catalytic, blended finance that help promote innovation and demonstration of new business models and technologies; (iii) GEF's strong record in supporting institutional strengthening to help lay the foundations for enhanced climate action.

19. **The GEF's ability to develop integrated solutions across a wide range of environmental domains is a particular strength.** Perhaps the single most important feature of the GEF, as highlighted in the previous section, is that the GEF is set up to deliver global environmental benefits across a range of multilateral environmental agreements. This implies that the GEF is able to facilitate synergies in implementing multilateral environmental agreements towards sustainable development, by pursuing integrated approaches and supporting multi-stakeholder alliances in support of the global commons. This is particularly important when it comes to climate change, which in itself is deeply integrated across other environmental domains and economic sectors, and the experience in GEF-6 so far suggests that it is a characteristic that is likely to become even more important in the coming years.

20. **The GEF plays a catalytic role as participant in blended finance initiatives to unlock private sector investments.** The GEF does not have the financial capacity to engender transformational change on its own, but well-targeted GEF funding can help de-risk investments by the private sector and other partners through the use of debt, guarantees and equity instruments, thereby promoting innovation and demonstration of new business models and technologies at the early stages of market development. As sustainable energy technologies began achieving significant cost reductions and countries' enabling policy environments strengthened, the opportunity for private sector investment expanded greatly. For example, as

illustrated by the GEF-6 Non-Grant Instrument (NGI) Pilot, the use of GEF funds to support equity investments in Africa and Latin America can be particularly useful for supporting deployment of smaller-scale renewable energy and energy efficiency investments (Box 2).

21. **The NGI pilot has enabled the GEF to support blended finance operations on the frontiers of natural resource management and climate.** An encouraging trend is the increasing interest in transactions and funds aiming to mobilize private finance to achieve a broader range of environmental objectives. A pioneer in this area, the GEF now has several innovative projects, including a land restoration project to deliver both improved soil health and enhance carbon sequestration. The experience to date suggest that the NGI pilot has been an effective means to leverage private sector investments—the private sector leverage ratio is more than 6:1 compared to about 1:1 on average for other GEF projects.

Box 2. The NGI Pilot: at the Frontiers of Blended Finance Initiatives

Junior Equity for Renewable Energy in Africa. The GEF has provided $4.5 million to the Africa Renewable Energy Fund (AREF), managed by the African Development Bank (AfDB) in the form of Class A shares with return capped at 4 percent. By accepting a capped return, the GEF enables net returns to other investors to increase by 2-3%, which will expand the range of potentially investable projects and reduce the need for enhanced policy incentives to make projects bankable. The equity funding provided by the GEF and other development partners is expected to attract at least $150 million from public, institutional, and commercial partners and significant additional private sector finance, primarily debt, for the actual projects, with a pipeline already worth half a billion dollars.

Junior Equity for Renewable Energy in South Africa. The Equity Fund for the Small Projects Independent Power Producer Procurement Program managed by the Development bank of South Africa (DBSA) will promote renewable energy supply in South Africa by small and independent power producers. Similar to AREF, GEF funds are invested with the expectation of below-market return. DBSA will also create a securitization platform to help resell initial investments after the projects have begun power production. These two interventions help reduce capital costs for small-scale producers and attract private sector capital. The proposed investments will result in installation of close to 100MW of renewable energy, reducing approximately 260,000 tons CO2e per year, resulting in an estimated 5 million tons CO2e over an assumed average project lifetime of 20 years.

Guarantees and Subordinated debt for Land Restoration in Latin America. The Risk Mitigation Instrument for Land Restoration project, managed by the Inter-American Development Bank (IADB) combines a GEF investment of $15 million with $120 million in co-financing to deploy innovative risk mitigation instruments to support public and private sector investment to restore degraded lands in Latin America. Investments in restoration of degraded land have longer payback periods and represent various types of high financial risk making them difficult to finance. GEF funds will be used to provide guarantees and subordinated loans, helping catalyze additional public and private sector investments by reducing perceived risk. The project will support activities such as landscape regeneration, intercropping, shade-grown systems; high-value forest products; on at least 45,000 hectares. The enhancements to carbon stock in these investments are estimated to yield emissions reductions of 4.5 million tCO2e.

Junior Equity for Agro-Forestry in Africa. The Moringa Agro-forestry Fund for Africa, managed by the AfDB, will promote sustainable land management in production landscapes in Burkina Faso, Cote d'Ivoire, Kenya, Mali, Tanzania, Zambia, and Congo DR. The Fund will invest in 5-6 scalable, replicable agroforestry projects that combine plantation forestry with agricultural elements to capture most of the value chain. The GEF has taken a junior equity position in the fund with an expected return of 6 percent. GEF's position helps lower risks for private sector investors who may be reluctant to consider land management projects on purely commercial terms due to for example long payback periods, lack of track record and uncertainty over product prices. The project also targets 79,000 hectares to maintain significant biodiversity and associated ecosystems goods and services, and more than 200,000 hectares of production systems under sustainable land and forest management. The project is expected to yield GHG emissions benefits of 9.5 million tons CO2e.

Debt Aggregation for Energy Efficient Lighting in Cities. The International Energy Efficiency Facility (iEEF), managed by the World Bank, is an example of a targeted intervention aimed a bridging the gap between institutional investors seeking exposure to real asset classes and the idiosyncratic investment needs related to increasing efficiency and bringing down carbon emissions in cities around the world. The iEEF will help aggregate energy efficient investment projects in cities around the globe, focusing first on conversion of traditional urban street lighting technologies to more efficient lighting emitting diodes (LEDs). Without aggregation, many projects would be too small for consideration by investors. Aggregation also helps cities with lower credit ratings to participate in a package that spreads the risk. Cities stand to not only reduce greenhouse gas emission benefits, but realize budgetary savings. Estimated emissions reductions are 1 million tCO2e.

22. **Finally, the GEF can play an important role in supporting institutional strengthening that is necessary to facilitate a transition to low-carbon and resilient economies.** The GEF's capacity building support takes many different forms depending on the specific gap that is being addressed, but fall broadly in three categories (i): Strengthening in-country policy and regulatory capacities to promote low-carbon, resilient development in line with INDCs; (ii) Institutional strengthening specifically targeted at unlocking private finance flows for climate action; and (iii) capacity support for UNFCCC-related reporting obligations (Box 3).

Box 3. GEF Support for Institutional Strengthening for Low-Carbon, Resilient Economies

Strengthening in-country policy and regulatory capacities to promote low-carbon, resilient development in line with INDCs. In the past, for example, the GEF has helped establish policy and regulatory frameworks to facilitate the expansion of renewable energy in several countries. Recently, under the Sustainable Energy for All's (SE4All) umbrella, the GEF has supported efforts to achieve energy efficiency improvements in buildings, by strengthening the capacity of regulators at the city level to work closely with private developers. Another example, building on the successful public-private partnership model used for the EnLighten project – which helped raise energy efficiency standards for lighting in a number of countries – is the GEF's support for countries' efforts to raise standards across a number of other high-energy consuming products such as air-conditioners and refrigerators. The GEF-BOAD project Hybridization of Diesel Engines of Multifunctional Platforms with Solar Systems included in the June 2016 Work Program, which aims to increase access to electricity through the development and use of reliable and proven renewable energy technologies in the rural areas of Togo, is an example of a project that explicitly addresses priorities identified in a country's INDC.

Capacity building specifically targeted at unlocking private finance flows for climate action. GEF and its partner agencies have also focused technical assistance for private sector partners who want to expand capacity and investments in climate finance. For example, several GEF/EBRD projects in Eastern Europe supported training for local banks to handle rating of energy efficiency investment projects and create new business lines on energy efficiency investment with existing customers, the experiences of which are now being promoted in other parts of the world. The GEF/UNDP Climate Bonds Initiative project will support aggregation of small projects through standardized approaches to facilitate large investment packages in demand by the capital markets. Another example is from India, where the GEF/World Bank supported an innovative partial risk sharing facility designed to encourage local banks to unlock funding for energy efficiency projects.

Supporting of UNFCCC-related reporting obligations. For example, in the run up to the Paris COP it became evident that some countries faced institutional capacity, organizational and technical challenges to finalize their intended nationally determined contributions to the Paris Agreement. The GEF has made resources available for 46 countries to prepare their INDCs ahead of COP 21, as a foundation for the Paris Agreement. The GEF also supports countries towards UNFCCC-related reporting and assessments such as national communications, biennial update reports, nationally appropriate mitigation action (NAMAs) national adaptation programs of action (NAPAs), national adaptation plans (NAPs) and technology needs assessments (TNAs). As noted previously, the GEF is currently in the process of establishing a support mechanism for the CBIT to support transparency-related capacity building under the Paris Agreement. The GEF also supports Cross-Cutting Capacity Development (CCCD) to enhance synergies between the Rio conventions and other MEAs.

ENHANCING RESILIENCE

23. **The GEF offers a platform for embedding adaptation and resilience in countries' environmental and development[6] policies.** Given the already observed impacts of climate change, and further predicted changes, it is critical to enhance countries' and ecosystem's resilience—that is, their long-term capacity to deal with change while thriving.[7] This implies designing interventions that not only focuses on achieving a static set of desired global environment benefits, but also considers what it would take to build and maintain the capacity of a system to continue to deliver its envisioned benefits, even amid change or pressure.

24. **The GEF is increasingly supporting the mainstreaming of resilience into regular GEF programming.** For example, all countries who participate in the Food Security IAP have expressed interest in monitoring resilience over the long-term, as well as ensuring that emerging lessons can be applied to decision-making. The program will help countries and communities to harness good practices for long-term sustainability and resilience of food security by reducing land degradation and biodiversity loss, recovering natural vegetation and increasing soil carbon, and by adopting more diversified technologies, production systems and livelihoods. Some countries are opting to apply the Resilience, Adaptation Pathways and Transformation Assessment Framework (RAPTA) developed by STAP and technical partners, for which operational guidelines are already available.[8] While currently focused on agro-ecological systems, STAP is seeking to translate the resilience principles of the RAPTA to make it applicable for multiple contexts, such as urban systems.

25. **The GEF's two decades old dedicated Adaptation Program has built the foundation for enhancing adaptation measures in many countries.** GEF experience suggest that in many cases, initial GEF adaptation financing through the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) has elevated adaptation as a priority on countries' development agendas, enabling them to accelerate and increase adaptation finance flows from other sources. The Adaptation Program's grant financing has promoted innovative adaptation practices and technologies, generating valuable lessons that enables other climate funds, governments and GEF partners to replicate and scale up similar activities to multiply impact on the ground. Given the increasing needs for adaptation in developing countries, the importance of cutting edge adaptation approaches, techniques, practices and technologies is estimated to further increase. In addition, the GEF Adaptation Program frequently supports adaptation activities that also generate GEBs, such as ecosystem-based adaptation, and other 'soft' measures that require capacity building, training, regulatory work and risk modeling.

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[6] Resilience is a key underlying concept of the SDGs; refer in particular to goals 1.5, 2.4, 9.1, 11, 13.1, and 14.2: https://sustainabledevelopment.un.org/content/documents/1579SDGs%20Proposal.pdf

[7] Stockholm Resilience Centre, http://www.stockholmresilience.org/21/research/what-is-resilience.html

[8] Resilience, Adaptation Pathways and Transformation Assessment (RAPTA) Framework. See http://www.stapgef.org/the-resilience-adaptation-and-transformation-assessment-framework/

GEF EFFECTIVENESS AND EFFICIENCY

26. **During GEF-6, a range of policy decisions and initiatives have been taken to enhance effectiveness of delivery.** These initiatives, which are summarized in other Council documents, include further strengthening of the GEF project cycle through among others the adoption of a stricter cancellation policy, an updated programmatic approach policy, stepped-up results focus, knowledge management, and implementation of the GEF Gender Equality Action Plan. These efforts have been complemented by efforts to further strengthen the partnership with GEF Agencies, including for example upstream strategic dialogues with Agencies' senior management. Moreover, a program of dedicated "Introduction to the GEF" workshops for new agencies has taken place, as has regular Agency retreats in connection with Council meetings.

27. **In GEF-6, the GEF has strengthened the upstream, strategic dialogue with countries.** In a number of countries (such as India, Indonesia, Mexico, and the Philippines), the GEF has jointly held with governments multi-stakeholder National Dialogues to ensure that the GEF-supported program is aligned fully with country priorities. These engagements have been complemented by bilateral discussions at various regional and global fora, for example the African Ministerial Conference of the Environment (AMCEN), which on an annual basis brings together all African Ministers of Environment. The GEF engagement around National Portfolio Formulation Exercises (NPFEs), of which 30 have been held in GEF-6 to date, has also been intensified.

28. **Other stakeholders are also being consulted through a variety of means.** During GEF-6, the GEF's close working relationship with the Convention Secretariats has continued, including through the occasional participation of representatives from Convention Secretariats at Expanded Constituency Workshops (ECWs)[9]. Moreover, the ECW has been refreshed to enhance relevance and impact. These and other venues are being utilized to reinforce dialogue with civil society stakeholders, including indigenous communities towards an inclusive and transparent system of operations to implement the GEF mandate in support of the global commons.

[9] See document GEF/C.50/09