
Planning for the Seventh Replenishment of the GEF Trust Fund

GEF-7 REPLENISHMENT:

PARTICIPATION, WORK PLAN AND PROPOSED TIMETABLE

INITIATION OF THE REPLENISHMENT PROCESS

1. At its 51st meeting in October 2016, the Council requested the Trustee, in cooperation with the Secretariat, to initiate discussions on the seventh replenishment of resources of the GEF Trust Fund (GEF-7).

PARTICIPATION IN THE REPLENISHMENT NEGOTIATIONS

2. In earlier replenishment negotiations, it was agreed that all GEF participants intending to contribute the equivalent of at least SDR 4 million for that replenishment could participate in the negotiations. As per the Summary of the Negotiations of the Sixth Replenishment of the GEF Trust Fund (GEF-6)¹, Participants agreed that the minimum contribution amount to participate in the replenishment negotiations would remain unchanged for GEF-6, but an adjustment should be made beginning with GEF-7, reflecting inflation observed since the beginning of GEF-6. The Trustee has reviewed the minimum contribution amount for participants² over the four calendar years preceding December 31, 2015, and the inflation adjusted minimum contribution amount remains unchanged. As such, the minimum contribution amount will continue to be SDR 4.0 million for the GEF-7 replenishment discussions.

3. Potential donors who do not intend to provide the agreed minimum contribution are invited to attend replenishment meetings as observers.

4. As per the GEF-6 negotiations, it is proposed that four representatives from non-donor recipient countries, representing Africa, Asia, Eastern Europe and Central Asia, and Latin America and the Caribbean be invited to participate in negotiations. Similarly, following the precedent set by GEF-6, it is proposed that two NGO/CSO representatives, one representing a donor country-based NGO/CSO and another representing a recipient country, also be invited to participate in the process. For GEF-7, it is proposed that two representatives of the private sector be invited to the meetings.

5. In addition, representatives of GEF Agencies and the conventions for which the GEF serves as a financial mechanism would be invited to attend the meetings as observers. In addition, one representative from the Green Climate Fund Secretariat would be invited to attend the meetings as observers. Comments would also be solicited from GEF Council Members on policy and programming documents prepared for replenishment discussions.

¹ GEF/C.46/07/Rev.01 May 22, 2014

² The measure of inflation applied to the minimum contribution amount is the Special Drawing Rights (SDR) deflator. The SDR deflator is used as a measure of world inflation for annual adjustments to operational and analytical income thresholds and World Bank Atlas method estimates of Gross Net Income (GNI) per capita. The SDR deflator is calculated on an annual basis. As such, the latest data point available is as of December 31, 2015.

PROPOSED MEETING SCHEDULE AND CORE REPLENISHMENT TOPICS

6. The replenishment meetings provide an opportunity for Contributing Participants to review GEF performance and evaluate progress, assess future funding needs, and agree on a financing framework. If there is an early consensus on the strategic and programming directions, the replenishment process can be accomplished in a series of four meetings, including the pledging session. To ensure that GEF operations continue uninterrupted in future years, the GEF-7 replenishment discussions should be completed by early 2018.

7. The proposed meeting schedule and replenishment discussion topics are outlined below. To the extent possible, the proposal takes into account other major meetings that Contributing Participants may be required to attend so as to avoid scheduling conflicts.

Proposed GEF-7 Replenishment Negotiations Schedule

Meetings	Issues (Documents) to be discussed	Proposed Schedule
1. Initiation of the GEF-7 Replenishment Process (during the October 2016 Council meeting)	<ul style="list-style-type: none"> • GEF Council to request Trustee to initiate process. 	October 27, 2016 [completed]
2. Replenishment Planning	<ul style="list-style-type: none"> • Participation in the negotiations/Minimum contributions • Confirmation of schedule of meetings and work plan. • Observers 	December 2016
3. Meeting 1	<p><u>For decision</u></p> <ul style="list-style-type: none"> • Reference Exchange Rates for Use in the GEF-7 Replenishment (GEF Trustee) <p><u>For discussion</u></p> <ul style="list-style-type: none"> • Emerging findings of OPS6 (GEFIEO) • Strategic Positioning for GEF-7 (GEFSEC) • GEF-7 Programming Directions (GEFSEC) • GEF-7 Replenishment Financing Modalities: Burden-sharing approach and Financial Components (GEF Trustee) 	March 28- 30, 2017 Venue: Paris, France
4. Meeting 2	<p><u>For decision</u></p> <ul style="list-style-type: none"> • GEF-7 Financing Modalities: Burden-sharing approach and Financing Components (GEF Trustee) 	October 3-5, 2017

Proposed GEF-7 Replenishment Negotiations Schedule

Meetings	Issues (Documents) to be discussed	Proposed Schedule
	<u>For discussion</u> <ul style="list-style-type: none"> • Full Draft report of OPS6 (GEFIEO) • Strategic Positioning for GEF-7 (GEFSEC) • Draft Policy Recommendations for GEF-7 (GEFSEC) • Draft GEF-7 Programming Directions (GEFSEC) 	Venue: Addis Ababa, Ethiopia
5. Meeting 3	<u>For decision</u> <ul style="list-style-type: none"> • Final report of OPS6 (GEFIEO) • Policy Recommendations for GEF-7 (GEFSEC) • GEF-7 Programming Directions (GEFSEC) <u>For discussion</u> <ul style="list-style-type: none"> • Draft Summary of the Replenishment Report (GEF Trustee + GEFSEC) • Draft Replenishment Resolution (GEF Trustee) • Indicative pledges (Contributing Participants) <u>For information</u> <ul style="list-style-type: none"> • Average Exchange Rates (GEF Trustee) • GEF-7 Discount Rate and Indicative Encashment Schedule (GEF Trustee) 	January 23 - 25, 2018 Venue: TBC
6. Meeting 4	<u>For decision</u> <ul style="list-style-type: none"> • Finalize donor pledges and GEF Financing Framework (GEF Trustee) • Finalize Draft <i>Report on the Seventh Replenishment of the GEF Trust Fund</i> comprised of (i) Summary of Negotiations; (ii) Policy Recommendations; (iii) Programming Document; and (iv) Replenishment Resolution (GEF Trustee + GEF Secretariat) 	April 26-27, 2018 Venue: TBC

Proposed GEF-7 Replenishment Negotiations Schedule

Meetings	Issues (Documents) to be discussed	Proposed Schedule
7. Conclusion of the Replenishment process (at Council meeting held in conjunction with the Sixth GEF Assembly)	<ul style="list-style-type: none"> • GEF Council to take note of the <i>Summary of Negotiations</i> (document agreed upon by contributing participants), and endorse the following 3 documents: (i) Policy Recommendations; (ii) Programming Document; and (iii) Replenishment Resolution. • GEF Council to request the GEFCEO to transmit the <i>Summary of Negotiations</i> to the World Bank, with a request that the World Bank Executive Directors be invited to adopt the Replenishment Resolution. 	May/June 2018 Venue: Vietnam
8. Sixth GEF Assembly	<ul style="list-style-type: none"> • Assembly to endorse the <i>Report on the Seventh Replenishment of the GEF Trust Fund</i>. 	May/June 2018 Venue: Vietnam
9. Adoption of the Replenishment Resolution	<ul style="list-style-type: none"> • WB EDs consider and adopt the Resolution (specifies arrangements for replenishing the GEF Trust Fund), which formally triggers the start of the financing period for the new replenishment. 	May/June 2018

GEF-7 Replenishment Period:

8. Once the replenishment negotiations are complete, the Summary of Negotiations and the core replenishment documents (Programming Directions, Policy Recommendations and Draft Replenishment Resolution) are transmitted to the GEF Council for endorsement. The Council then requests the GEF CEO to transmit the Summary of Negotiations and the core replenishment documents to the World Bank, with a request that the World Bank Executive Directors be invited to adopt the Replenishment Resolution. The financing period under GEF-7 Replenishment would begin when the World Bank Executive Directors adopt the GEF-7 Replenishment Resolution. Such resolution authorizes the World Bank to act as Trustee of the GEF Trust Fund. The Trustee informs Contributing Participants of the adoption of the resolution, and Contributing Participants work to formalize their pledges to the replenishment. When Contributing Participants have obtained the appropriate parliamentary authorization and/or budgetary approval to participate in the replenishment, they deposit an Instrument of Commitment with the Trustee. This initiates the implementation of the new replenishment.

Timing of GEF Assembly:

It is expected that the Sixth GEF Assembly will be held in Vietnam during May/June 2018.