



GEF/R.8/Rev 01
February 4, 2021

Planning Note for the Eighth Replenishment of the GEF Trust Fund

GEF-8 REPLENISHMENT:

PARTICIPATION, WORK PLAN AND PROPOSED TIMETABLE

INITIATION OF THE REPLENISHMENT PROCESS

1. At its 59th meeting in December 2020, the GEF Council requested the Trustee, in cooperation with the Secretariat, to initiate discussions for the eighth replenishment of resources for the GEF Trust Fund (GEF-8).

PARTICIPATION IN THE REPLENISHMENT NEGOTIATIONS

2. During the GEF-6 negotiations, it was agreed that the minimum contribution amount for participating contributors should be adjusted for inflation at the beginning of each replenishment cycle. To adjust for inflation, a SDR deflator for the four calendar years prior to the start of the replenishment discussions would be applied to the minimum contribution amount for the previous replenishment. Therefore, in the context of GEF-8, the Trustee applied SDR deflators for calendar years 2016, 2017, 2018 and 2019 to the GEF-7 minimum contribution amount of SDR 4.0 million for calculating the inflation adjustment. As shown in Annex A, this has resulted in a nominal increase in the minimum contribution amount to SDR 4.02 million for GEF-8. Given this, the minimum contribution amount will continue to be SDR 4.0 million for the GEF-8 replenishment discussions.

3. The following entities will be invited as observers: five representatives from non-donor recipient countries representing Africa, Asia, Eastern Europe/Central Asia, Latin America, and the SIDS, two NGO/CSO representatives - one representing a donor country-based NGO/CSO and another representing a recipient country, one representative of the private sector, one representative from the Green Climate Fund Secretariat and one representative from the Adaptation Fund Secretariat. 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. Comments would also be solicited from GEF Council Members on policy and programming documents prepared for replenishment discussions.

PROPOSED MEETING SCHEDULE AND CORE REPLENISHMENT TOPICS

4. 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-8 replenishment discussions should be completed by early 2022.

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

Meeting	Issues (Documents) to be discussed	Timeline
1. Initiation of the GEF-8 Replenishment process	<p>For Decision:</p> <ul style="list-style-type: none"> · GEF Council requested Trustee, in cooperation with the Secretariat, to initiate discussions (GEF Council document GEF/C.59/04) 	December 7-11, 2020
2. Replenishment Planning	<p>For decision:</p> <ul style="list-style-type: none"> · GEF-8 Planning note · Participation in the negotiations/Minimum contributions · Confirmation of schedule of meetings and work plan · Observers 	December 2020 – Jan 2021 Virtual format
3. GEF-8 First Meeting	<p>For decision:</p> <ul style="list-style-type: none"> · Reference Exchange Rates for Use in the GEF-8 Replenishment (GEF Trustee) <p>For discussion:</p> <ul style="list-style-type: none"> · Emerging findings from OPS7 (GEF IEO) · Draft Strategic Positioning for GEF-8 and Programming Directions (GEFSEC) · Draft GEF-8 Replenishment Financing Modalities: Burden-sharing approach and Financial Components (GEF Trustee) 	April 22-23, 2021 Virtual format
4. GEF-8 Second Meeting	<p>For decision:</p> <ul style="list-style-type: none"> · GEF-8 Financing Modalities and Framework: Burden-sharing approach and Financing Components (GEF Trustee) <p>For discussion:</p> <ul style="list-style-type: none"> · Draft report of OPS7 (GEF IEO) · Strategic Positioning for GEF-8 (GEFSEC) · Draft Policy Recommendations for GEF-8 and Programming Directions Document (GEFSEC) 	September 29-October 1, 2021 Venue: TBC

Meeting	Issues (Documents) to be discussed	Timeline
5. GEF-8 Third Meeting	<p>For decision:</p> <ul style="list-style-type: none"> • Final report of OPS7 (GEF IEO) • Policy Recommendations for GEF-8 (GEFSEC) • GEF-8 Programming Directions Document (GEFSEC) <p>For discussion:</p> <ul style="list-style-type: none"> • Draft Summary of the Replenishment Report (GEF Trustee + GEFSEC) • Draft Replenishment Resolution (GEF Trustee) • Indicative pledges (Contributing Participants) 	<p>January 17-19, 2022</p> <p>Venue: Recipient Country (TBC)</p>
6. GEF-8 Fourth Meeting	<p>For decision:</p> <ul style="list-style-type: none"> • Finalize donor pledges and GEF Financing Framework (GEF Trustee) • Finalize Draft Report on the Eighth Replenishment of the GEF Trust Fund comprised of (i) Summary of Negotiations; (ii) Policy Recommendations; (iii) Programming Document; and (iv) Replenishment Resolution (GEF Trustee + GEF Secretariat) 	<p>March 14-16, 2022</p> <p>Venue: Donor Country (TBC)</p>
7. GEF Council meeting	<p>For decision:</p> <ul style="list-style-type: none"> • GEF Council to take note of the Summary of Negotiations (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 GEF CEO to transmit the Summary of Negotiations to the World Bank, with a request that the World Bank Executive Directors be invited to adopt the Replenishment Resolution. 	<p>May 22-24, 2022</p> <p>Venue (Assembly host country): TBC</p>
8. GEF Assembly	<p>For Decision:</p> <ul style="list-style-type: none"> • Assembly to endorse the Report on the Eighth Replenishment of the GEF Trust Fund. 	<p>May 25-26, 2022</p> <p>Venue (Assembly host country): TBC</p>
9. Adoption of the Replenishment Resolution	<p>For Decision (AOB):</p> <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. 	<p>July 2022</p>

GEF-8 REPLENISHMENT PERIOD

6. 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. 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

7. The Seventh GEF Assembly is expected to be held on May 25-26, 2022 with the venue still to be confirmed.

Global Environment Facility Minimum Contribution Amount Inflation Adjustment Methodology

The measure of inflation applied to the minimum contribution amount for participants 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 deflator¹ is calculated by the International Monetary Fund (IMF) on an annual basis and is typically available at a six-month lag. As such, the latest data point available is as of December 31, 2019.

When the SDR deflator is applied to the minimum contribution amount for GEF participants of SDR 4.0 million over the last four calendar years, the result is a nominal increase in the minimum contribution amount to SDR 4.02 million for GEF-8 (refer to Table 1 below). Given this, the minimum contribution amount will continue to be SDR 4.0 million for the GEF-8 replenishment discussions.

Table 1: Calculation of Inflation-Adjusted Minimum Contribution for GEF Participating Members.

Year	SDR deflator in US\$ terms	SDR inflation rate (% change)	Inflation Adjusted Minimum Contribution for GEF-8 participants
2015	332.0		4.00
2016	325.8	-1.9	
2017	321.1	-1.4	
2018	329.6	2.7	
2019	333.9	1.3	4.02

¹ Source: The World Bank, 1 July 2020.