

**First Meeting for the Sixth Replenishment of the GEF Trust Fund (GEF-6)
3.- 4. April 2013, Paris**

Germany

Draft GEF-6 Programming Directions

(Dokument: GEF/R.6/07)

1. Integrated Approach to the Global Environmental Commons

German position:

- Germany welcomes the simultaneous consideration of development goals as co-benefits when GEF projects are promoted. Germany requests clarification on whether indicators that decide on the granting of GEF support are also envisaged for these co-benefits.
- Setting up thematic programmes means that less resources are available for environmental fields within and outside of STAR. Germany recognises the contribution that cross-cutting programmes can make to the conservation of the global commons. However, in the context of increasing funding requirements in the fields of biodiversity and chemicals, Germany sees only narrow scope for action to finance such programmes.
- The above points aside, as yet no objectives and indicators have been defined for the above-mentioned thematic programmes. Germany requests information concerning the point in time at which these are to be formulated. Germany further notes that the indicators must be coherent with the objectives and indicators of the relevant environmental fields.

2. Biodiversity

German position:

- The third goal of the CBD (benefit-sharing) is presented in a too isolated manner in the GEF-6 strategy. Access and benefit-sharing (ABS) therefore needs to be integrated more firmly within the GEF programmes with regard to the potential contribution to the conservation and sustainable use of biodiversity. For instance, genetic resources can contribute to the sustainable financing of protected areas, or to the sustainable use of coral reefs.
- Programme 2 (Expanding the Reach) must always be seen in connection with Programme 1 (Finance) and Programme 3 (Management & Quality).
- Activities under Programme 9 (Implementing the Nagoya Protocol on ABS) should not only primarily support the establishment of legal/regulatory frameworks, but also the achievement of actual ABS agreements (through which benefit-sharing becomes actually effective). Support for actual ABS agreements should thus not only be provided

through the Nagoya Protocol Implementation Fund (NPIF) (cf. p. 23) but also through the GEF Trust Fund. Programme 9 should not be considered in isolation from the other programmes for the conservation and sustainable use of biodiversity (see Results Framework).

- If GEF-6 programming does finally comprise the programmes set out in the draft, a greater regional/thematic differentiation will be necessary that is guided by the actual requirements in the countries. This differentiation should also be taken into account when allocating resources: for instance, poaching is a substantial problem in Africa and Asia, but is of only minor significance in South America. In South America, the conflict between biodiversity and mining is particularly relevant. For this, too, GEF resources should be provided, based on requirements.
- The envisaged expansion of protected areas (cf. above all Programme 2, p. 10) must also be considered in a regionally differentiated manner and should proceed in tandem with a qualitative improvement of the management of existing areas. In accordance with the stated priorities (connectivity, quality, climate change, etc.) the issue of the continuous development and adjustment of protected area approaches and systems also needs to be addressed, especially in situations where they deliver relatively poor conservation outcomes or land is scarce.
- In the thematic field of biodiversity and climate, this initial draft makes no mention of the promotion of ecosystem-based adaptation (EbA) to climate change as a key approach by which to mainstream biodiversity and foster synergies between the environmental fields. The focus should generally be placed on 'natural solutions' (cf. on this the possible linkages with the environmental fields of climate change mitigation and land degradation and the themes of resilience, climate-smart agriculture, integrated coastal zone management, etc.).
- The economic assessment of ecosystems and biodiversity is taken into account in a sufficient and purposeful manner. The output formulated (10.1, see p. 33) is, however, highly ambitious and not necessarily conducive to attainment of the objective, as economic assessments are only a tool and not a goal. Activities designed to capture economic value in a sustainable manner should rather seek to integrate biodiversity and ecosystem services in development planning and in macro-economic decision-making processes.
- Resource allocation needs to keep sight of the absorptive capacity of countries and institutions (there is often a wide disparity between perceived requirements and implementation capacities). Furthermore, steps must be taken to ensure the effective and efficient deployment of resources when taking allocation decisions.

3. Climate Change Mitigation

German position:

- The concentration on promoting innovation in politics, technology and financing, as stated in the draft GEF-6 strategic positioning document, should be underscored – particularly in the environmental field of climate change mitigation. This is an important

aspect that should guide the selection of suitable mitigation technologies on the part of implementing agencies and the review of project proposals by the GEF Secretariat. Germany therefore argues in the context of GEF-6 programming that in the environmental field of climate such technologies which permit a long-term transition to a low-carbon and climate-resilient society should have priority over such technologies which permit short-term emissions reduction but can be substituted in the foreseeable future by technologies with better climate performance. Such an approach boosts the competitiveness of particularly innovative technologies and ultimately facilitates the transformation to a low-carbon economy.

- As concerns promoting investment within the context of technology transfer, the GEF-6 strategy envisages various mechanisms. This is welcomed. The draft states examples: encouraging private-sector engagement, guarantee mechanisms, regulatory risk insurance and public co-investment.
- In connection with the promotion of energy-efficient technologies, the potential negative impacts resulting from the displacement of inefficient technologies to other locations are not discussed (Programme 1, Objective 2). Clarification of this matter would be welcomed.
- Overall, the GEF-6 strategy contains many further proposals that are to be welcomed. However, a need for improvement continues to be seen with regard to, above all, the coordination and coherence of these proposals. This is explained in the following:
 - For carbon enhancement in peatland and mires it needs to be taken into account that the positive mitigation effects achieved by carbon sequestration can be reduced by increased CH₄ or N₂O emissions.
 - For the indicator 'Number of development and planning frameworks that include mitigation targets and priority actions based on Convention obligations and other enabling activities' it may be appropriate to supplement as target parameter the amount of CO₂ that is to be saved.
 - Comparative assessments, for instance of intensified agriculture versus conversion of forest to agricultural land, are to be welcomed. Clarification is requested concerning the extent to which the global findings of the scientific community can be integrated here in order to check and critically evaluate the assumptions underlying such linkages.
- With regard to the promotion of NAMAs, Germany requests that the promotion criteria are identified and that the question be clarified whether promotion for NAMAs is also envisaged for those countries in which emissions trading systems are being established. Furthermore, Germany notes that it must be taken into account that the NAMA approach is still being developed. Promotion criteria must be designed with corresponding flexibility.

4. International Waters

German position:

- It is positive that the document takes account of the water / food / energy / ecosystems nexus and establishes a specific programme area for this (pp. 77 ff.). By convening the 'Water, Energy and Food Security Nexus 2011' conference in the run-up to the Rio+20 conference, Germany has been instrumental in driving the necessary analysis of linkages. The interconnections with the environmental fields of climate change adaptation, land degradation and biodiversity correspond to Germany's wishes.
- Further positive aspects to be noted include, in particular, the clear linkages with other relevant instruments such as the CBD and its Aichi Targets, the repeated underscoring of the need to build trust, which is an issue that is often neglected, the focus on ecosystem goods and services, and the explicit consideration of water pollution and water quality as aspects of transboundary water resources management.
- Germany advocates that the high-seas programme on Areas Beyond National Jurisdiction (ABNJ; GEF 5: IW 4) is continued in GEF 6. In this connection substantially greater consideration should be given to implementing CBD decisions (notably the Strategic Plan and the identification of Ecologically and Biologically Significant Areas – EBSAs).
- Capacity-building is no longer a focal area in its own right. It is now a part of the thematic programmes. The objectives formulated by those programmes focus greatly on 'catalysing investment', but that aspect is not found in the indicators. The wording of the objectives should therefore be adjusted to include capacity-building.
- It is positive that the draft speaks of an integrated management of groundwater and surface water.
- In Germany's view, the terms 'harmful chemicals' and 'ground water basins' should be replaced by the terms 'hazardous substances' and 'groundwater bodies'.

5. Land Degradation

German position:

- Germany supports the GEF strategy of making a contribution to transformation, as system boundaries have been reached. However, beside the proposed technical business-as-usual approach, this strategy also requires instruments such as capacity-building, promotion of institutional change, new standards and incentives.
- Germany requests clarification whether the focus on promoting investment means that technology programme proposals from countries in which enabling conditions for sustainable land management are found to have not yet been achieved are excluded from support.
- Germany takes the view that, considering the envisaged support for a process of transformation for which a holistic and interdisciplinary approach is key, substantially greater weight should be given to Objective 4 (maximising transformational impact) and Objective 3 (integrated landscapes) in relation to Objectives 1 and 2.

- Germany draws attention to the Economics of Land Degradation (ELD) initiative launched by the EU, the UNCCD and Germany. This initiative compares the costs of preventing land degradation with the business-as-usual costs of non-intervention, and thus provides arguments for greater investment in sustainable land management. The ELD outcomes should be taken into account and utilised by the GEF.
- In the field of forest management in drylands, due to the limited production potential of natural forests it is necessary to also focus on wood production outside of natural forests (e.g. agroforestry, plantations for wood for use as energy feedstock). Germany suggests that this aspect be taken into account in the GEF strategy.

6. Chemicals

Chemicals and waste cluster / POPs

German position:

- The GEF-6 strategy takes account of the guidance provided by the relevant conventions. The main points considered positive by Germany are the proposals to maximise the efficiency of resource use considering limited GEF resources while taking account of the increased requirements that will be presented by the advent of the binding Mercury Convention and SAICM.
- GEF-6 needs to take account in a suitable fashion in its decisions of the relevance and requirements to finance the chemicals and waste cluster as formulated in January 2013 in the process of elaborating a global Mercury Convention.
- Noteworthy positive points include the reporting within the conventions and the mainstreaming in or introduction to (in the case of mercury or of new development issues of global environmental relevance (SAICM)) national strategies and laws.

Protecting the ozone layer and promoting attainment of the goals of the Montreal Protocol in relation to ODS is not a focus of the GEF, as these goals are pursued by the Multilateral Fund under the Montreal Protocol. Nonetheless, the GEF does provide support to the former Soviet republics for HFC phase-out.

POPs and ODS

German position:

- Germany is in favour of the approaches and measures proposed by the GEF-6 strategy, the integrated protection of the ozone layer and the climate and the promotion of low-carbon technologies. However, Germany would wish that there is a definition of 'low-GWP' (point 30(v), page 49 and point 27(g), page 117). There is an international discourse on this.

7. Sustainable Forest Management (SFM) / REDD+

German position:

- Germany fundamentally welcomes the proposed strategy, but sees a minor need for improvement regarding various points as explained in the following.
- In order to ensure an integrated and coherent approach, the strategic objectives and indicators should be reviewed as to their relevance to the objectives of the other environmental fields. A direct need for improvement is seen in this regard in five points:
 - The draft notes the importance of forests and forest ecosystems to the availability of water for agriculture. However, this is not reflected in the objectives and indicators (point 4, Sustainable Forest Management Strategy).
 - The draft does not identify the synergies between developed forest management and the environmental field of international waters (notably Programme 2.2) (point 36). However, such synergies are to be expected, especially in view of the importance of forest ecosystem services to water catchment areas, and should be taken up accordingly in the GEF strategy.
 - With regard to forest restoration, the terms 'restoration' or 'reforestation' should be used rather than 'sustainable plantations', as the latter can be misleading and the focus should first be placed on ecological aspects and only then on economic aspects (p. 148).
 - The relevance of biodiversity to forest restoration etc. should be underscored more firmly and should also be reflected in the indicators and outputs (point 42(ii)).
 - With regard to the indicators and outputs, a stronger focus should be placed on measuring / implementing income-enhancing measures and on conserving biodiversity in connection with sustainable forest management (Annex I).
 - The present draft contains duplication / overlap between the signature programmes and the environmental field of biodiversity and the multi-focal area of SFM/REDD+. As the signature programmes are understood to be complementary, such duplication / overlap should be avoided.
- With regard to the development and implementation of pilot projects concerned with payment for ecosystem services (PES) the exchange of practical experience and best practice should play a greater role beside strengthening capacity for PES (point 37(i)).
- Germany advocates the principle of free, prior and informed consent (FPIC) and is therefore in support of intensified capacity development for SFM within local communities. This helps to improve local livelihoods (point 37(ii)).