

GEF 6. 2nd replenishment meeting. Norwegian comments.

In general, we found the documentation for the meeting clear and much improved from the first meeting. Discussions clarified a few things and shed further light on others, and on a couple of things there was even tentative agreement. Remarkable, so early in the process.

Below are our comments on the individual agenda points:

OPS 5 progress report

The update was short and to the point. Highlighted important issues, with which there was much agreement. We are looking forward to the final report, including on-going work on STAR, SGP, CSO engagement, private sector, STAP, co-financing, gender, etc.

Strategic positioning

Interesting discussion; what does “robust replenishment” really mean? We noted a large measure of agreement on the GEF taking on some of the drivers behind global environmental degradation, while seeking a sharper, more innovative and piloting direction in its activities. Multi-focal areas work should be further pursued. Global benefits must still be the main focus for GEF, but at the same time local and national ownership is necessary to secure sustainable results. We should also acknowledge the influence on GEF strategic space by developments in the post 2015/SDGs area, as well as, presumably, a new climate agreement in 2015.

For our own part, we would like to see, in GEF 6, more innovative pilots on different forms of performance based instruments/payment by results, where such are feasible.

We would also recall the possibility of a set-aside to cover possible unforeseen developments that may require GEF financing, along the lines of the Bi-annual Update Reports, but not necessarily limited to the climate change focal area. In any case, halfway through the period, a re-allocation of those funds could be undertaken.

Even more cross-cutting activities, on which there seems to be a large measure of agreement, poses challenges for measuring results across focal areas. The political impact of multifocal projects/programs sometimes seems less pronounced because it is difficult to trace impacts as well as inputs to specific actors, initiatives or agreements. Is GEF multifocal work visible enough? We would like to hear more about these challenges and what kind of work is being undertaken to overcome them, and by whom. Are organizations like, for example, the OECD involved in such work?

In principle, we are of the opinion that the interpretation of the CBDR&C principle is not cast in stone, and that real world developments over the last 20 years or so affecting relative “capabilities” should be taken into account wherever it is invoked, not only in the GEF. Given that GEF decision-making is, in practice, consensus based, the challenge is to find a middle way out that makes everybody (un)happy. Many participants recalled that the GEF’s global environment mandate is essentially different from more straightforward development efforts with a local focus, and that this has implications also for financing modalities. We detected general support for the GEF to continue to have grant financing as central to its operations (confirmed in the Summary), while certain innovations may be introduced. We think the relevant issues described in the documentation/discussion should be further explored in order to find acceptable solutions. Due to the precedence that could be involved, close consultations with UNFCCC, CBD and chemicals conventions are advisable.

A number of proposals were made in the discussion which could be pursued, and the STAR mid-term review will perhaps contain some sensible suggestions. We note in particular that both private sector and CSO engagement have been reduced under RAF/STAR, which was hardly the intention. We hope suggestions for remedial action will find their way into the review.

We also noted general agreement to focus better on gender issues, and expect further details and recommendations to emerge from the sub-study under OPS 5.

Programming directions

The discussion showed that the Focal Area Strategies and the Signature Programs are closely connected. The size of the replenishment will be among the factors determining the extent to which the

Signature Programs

may be realized more or less in isolation from the Focal Areas. Overall, we are among the majority being positive to the idea behind the SP proposals to take a more integrated approach to some cross-cutting problems. We especially like the two forest related proposals. What came very clearly through in the discussion with regard to these programs, however, was general concern over a) what seemed to be inadequate international consultations and description of the realities surrounding the programs and b) an impression of “top-down” approach and hence concern about country ownership. We would add that gender considerations seem only to have received scant attention. We are happy that management seemed to take the concerns to heart and intends to come back with adequate responses.

For our own part, we welcome, in principle, more GEF engagement in the

Fisheries

sector. The problem with the proposed SP is not the concept, but the underlying program. We felt obliged to express serious frustration with the preparatory work with the World Bank on the GPO, in which our experts have been involved. Reference is made to the correspondence between the CEO and the President of the North East Atlantic Fisheries Commission (NEAFC).

The development of GPO has taken place without major involvement from developing countries. Implementation of a possible program will be the responsibility of the countries concerned. The GPO is supposed to contribute to poverty reduction. In the drafts presented so far, it has been difficult to identify how this objective will be obtained. In such contexts, Rights based Fisheries are not effective instruments. GPO is work in progress, central elements of it are still up in the air, and we do not know whether the program will be realized.

The GEF has not been mentioned at all in the preparatory work so far, so we were surprised at the uncritical embrace bestowed upon the GPO in the GEF document. Hence, it seems too early to conclude that the GPO will “fly” and even more bizarre to announce that the SP will be part of the GPO (and the 50 in 10) (Para 34 of the document).

We would have liked a mention of the work that FAO has been mandated to carry out to develop implementation strategies for small scale fisheries and to assist countries` practical implementation efforts. Thus, we would see FAO as a more relevant partner on small scale and coastal fisheries than the GPO in this effort.

Food security in Sub-Saharan Africa

We are basically positive to this proposal. The problem statement is valid, but we have some concerns. As is the case for the fisheries program, the impression is of a basically top-down effort.

The African Union is implementing a continental environment action plan and an agricultural plan for national implementation, which together constitute the formal African platform for environment, food security and agricultural development. In our opinion, this should be the main track or vehicle for GEF support to Africa in this context. Formalizing a role for AGRA under GEF could lead to more fragmentation of political responsibility and programs at national level.

AGRA as a partner is relevant, but should not be main partner and executive agency. It is an independent organization outside the above African platform, with a board where only 5 out of 12 members are African. None of them represents African authorities. A significant number of western representatives either work for or are tied to non-African foundations. International research and industry are well represented on the board. Questions have been raised about their biodiversity profile.

On the other hand, AGRA has become an important investor in agricultural programs. They have a flexibility and financial basis which make them an interesting partner for, for example, co-financing in certain limited areas. We are cooperating with them ourselves through support for an AGRA program in Tanzania. This program is situated in the context of green economy, with 2 central pillars: 1) Environmental sustainability and 2) social inclusion (with main focus on women). We do not find any general discussion or inclusion of such important aspects.

The SP should have a broader focus and “landscape approach” (and probably on different forms of pastoralism). Such a perspective would ensure a broader focus than “food value chains” which targets “environmental goods and services” (paragraph 8).

There seems to be no role envisaged for FAO.

We detect no or little gender focus, which would be essential.

Overall conclusion: There is a need to redesign the program and introduce new partners.

Commodities

We support focus on the four commodities (beef, soy, palm oil and pulp paper) that, together, count for half of tropical forest deforestation. Coincides with the focus of Tropical Forest Alliance 2020 and could produce synergies. TFA is to develop a strategy and work program over next few months.

Focus on area planning and moving production to already degraded areas is a good approach. National and local authorities will have to take the legal and political measures that will make such movement of production possible. Capacity building and the correct incentives for agriculture actors along the whole of the value chain will also be important.

The proposal seems designed to promote work on sustainable production and – consumption, which is voluntary in nature and builds on insights into the dependence of actors on functioning eco-systems and motivation to avoid too great regulatory or market interventions. We would like to see the GEF relate to the now adopted UN 10 year framework program for

sustainable production and consumption. This would entail cooperation with UNEP's Paris office and other relevant actors in the areas GEF ventures into. In the commodities field, much has already been done and clarified, not least with regard to timber and bio fuels. Together with other market actors, GEF could contribute to operationalizing existing knowledge.

There should be good opportunities for cooperation and coordination with other initiatives like the TFA and the World Bank program on climate smart agriculture, as well as different round tables like Roundtable for Sustainable Palm Oil and Roundtable for Responsible Soy. (Only the latter two are mentioned as potential partners). The proposal is a bit vague on prospects for developing this SP (paras 57-59).

Coherence should be ensured with other forest/REDD+ initiatives like UN-REDD, as well as the Forest Investment Program (especially their Private Sector window) and the Forest Carbon Partnership Facility in the World Bank.

This being a program that is less bottom-up and country driven than is normally the case in GEF, it is unclear whether/how GEF and the agencies ensure the necessary role of local and regional authorities (ref. para 29). Local ownership is very often necessary for success.

The "Declaration: Bridging Agriculture and Conservation" (Rio) could be drawn on for bringing in a further focus on small-farmer benefit from biodiversity.

Details: Para 42 seems to take for granted that there is a large number of small producers – is this really the problem? Para 43 seems very optimistic. Para 46 is too vague. Para 49, last bullet is unclear. Para 59: Where do the figures come from? Who are the partnering financial institutions? What is the figure USD 400 million based on?

Sustainable cities

We are surprised that there is no mention of the UN in the document, either as partners at global level, or as implementing partners at local level. It is mentioned that one of the GEF agencies will take the lead, but not which one.

It is also strange that UN Habitat is not mentioned (except in footnote), nor – we have been told - have they been invited to contribute to the design of the program. We take it that UN Habitat will be invited to coming consultations.

Our understanding is that there is a joint submission from UNEP and UN Habitat. Is this correct, and, if so, has it been taken into account?

The CBD "Cities and Biodiversity Outlook" report is relevant in this context.

Amazon

We are generally positive to this proposal, and to regional approaches generally when they address problem areas (especially leakage) common to several countries.

Such a regional approach requires firm acceptance in participating countries. Earlier initiatives for regional cooperation have shown that asymmetric power relations are especially demanding. Thus, all 3 countries should express clear understanding of what such cooperation will entail/demand and that they are comfortable to participate.

There is scant mention of MRV on deforestation; such a system would in reality be decisive for successful protection and secure finance over time. So would effective executing institutions. Regional cooperation on MRV would bring significant synergies.

There are few references to other actors:

UN-REDD and FCPF will soon start activities in Colombia, yet are not mentioned among the actors that GEF will coordinate. They should be included. Gradually, also FIP under the WB will commence operations in Peru.

The Norwegian International Forest Initiative is looking into closer cooperation with Colombia's REDD-work, together with a couple of other countries. Part of the envisaged support could possibly be channeled to activities outlined in the SP, like for example reduced deforestation in the area surrounding Chiribiquete National Park (paras 61, 65, 80 (Heart of the Amazon initiative), 81 (the \$ 11 mill. GEF 5 project). (Dialogue is ongoing).

In Colombia, FCPF, UN-REDD and GGGI are all active. There is little direct mention of green economy as a theme. Coordination and cooperation efforts should be better described, to make sure to avoid overlapping efforts. This is also valid as regards authorities – the less coordination, the more resources (including people) they have to employ to keep track of the different, but often similar initiatives.

In Peru, the IDB is a central and relevant actor. Our impression is that their process only to a limited extent takes up cross-sector challenges, like mining and infrastructure. So the GEF SP could contribute to strengthening such aspects (also mentioned in the document). It is generally very positive that the SP looks to the drivers behind deforestation outside the forest sector.

We also trust GEF is looking into possible synergies between this SP and the one on Commodities.

GGGI is active in Brazil (Amazonas region) and Peru (forest sector). PAGE (partnership for action on green economy) is entering Peru on a broad scale.

GEF should ascertain which actors are engaged in the countries with regard to their transition to low emission/green economies before starting activities, and be very transparent on how they relate to them.

It would be interesting to have more info on value chains and the trade dimension, so that trade restrictions or regulations intended to support more sustainable trade in timber/timber products is not undermined by efforts that seek to take advantage of the situation.

The industry component is briefly mentioned, but trade flows less so. Supporting sustainable and legal trade based on sustainable timber/forest management could be an important initiative for the whole region.

Focal Area Strategies

General

Documentation is much improved from April. We take note of the financing scenarios – too early, but useful for readability + overall understanding. We are in general agreement with the focus on “drivers”. We foresee some interesting discussions on the relative distribution of funds between the FAs.

Biodiversity

General:

In our view, GEF's unique position and the possibility to explore synergies between the different program areas are of central importance and must be preserved.

The GEF should not only focus on how various production activities *impact* on biodiversity, or how deteriorating ecosystems in surrounding areas have negative implications *for* agriculture. GEF could increase its focus on ecosystem services that underpin agriculture and food security, such as soil production, water access, pollination and preservation of biodiversity that secures *plant and animal genetic resources*. Certain predictions for climate change indicate that a broader genetic base for agriculture will be needed in the not so distant future, and it is not clear that such genetic resources will in fact be available to the extent necessary. The biodiversity agenda should therefore include crop genetic resources, cf. the Aichi targets.

GEF 6 should not exclude agricultural genetic resources from discussions on programming, in particular given that some of the proposed signature programs have food security as a major component.

The strategy well describes necessary actions:

The link to CBD's strategic plan is good; it is viewed as a common strategic "umbrella" by all global biodiversity agreements. At the same time, the Plan does not constitute a useful signal on priorities in the GEF context, as it includes "just about everything". It was not possible to produce clearer priorities in the negotiations of guidance to the GEF.

We support focus on realization of the Strategic Plan. GEF support for capacity building has been important for implementation of the convention. We appreciate the focus on central drivers (habitat/area changes, overexploitation and invasive alien species) + the importance of including biodiversity in the climate change work.

Central elements of the strategy:

- Sustainable use
- Ecological infrastructure (resilience/robustness and natural solutions for climate change activities)
- Equitable benefit sharing

Details:

Program 1: On sustainable finance of national ecological infrastructure, focus should be broader than protected areas only. Corridors and network thinking are central, which translates into protected areas and area planning/management.

Program 4: Good link between CBD and CITES.

Program 6: Implementing the Cartagena protocol is positive; it has its own strategic plan.

Program 8: Important to have a link also to the Treaty on Plant Genetic Resources (ITPGRFA) and work on the Global Crop Diversity Trust.

Program 9 - Nagoya Protocol:

GEF must be observant of the relationship between ITPGRFA and the Nagoya Protocol – which genetic resources are being addressed where.

Program 10: Consider also mentioning cooperation with more actors for this, in addition to TEEB and WAVES, the UN Statistical Division springs to mind.

Climate change

We noted diverse views on the size of the climate change envelope in GEF 6. For our part, we would reiterate our point on the need for flexibility for the CC Focal Area, in view of the emergence of the GCF and while awaiting it becoming fully operational. A kind of mid-term review might be a solution, with a possible reallocation of resources should developments so indicate. Refer also to flexible programming comments in Annex 1 to the strategy.

We should reflect on possible signals we could send the GCF work in order for that process to benefit from GEF experience and to avoid unnecessary overlap. The GEF discussion on STAR principles, options for differentiated finance and allocation issues has direct relevance for GCF, while we note that the GCF needs to do better than the GEF (so far) at bringing in private finance; also the GEF could do with some improvement here.

We note the different approach from earlier strategies and appreciate, in principle, a more integrated and cross-focal area approach; emphasis on systemic solutions; synergies more easy to attain. Also in a climate context, the unique role of the GEF in bringing forward “natural” solutions to climate challenges should be acknowledged. We also note (with appreciation) the intention to help countries prepare for the new agreement with universal mitigation commitments. MRV support needed.

We would appreciate some more details on (para 13 a) proposed support for performance-based mechanisms and mitigation of emissions from short-lived climate drivers (also paras 26-27 + Annex 1). Please also refer to the communique from the CCAC (Climate and Clean Air Coalition) High Level Assembly in Oslo in early September, where GEF is encouraged to mainstream SLCP in GEF 6: Any Secretariat thoughts on this yet?

International Waters

Our comments on the fisheries SP and the GPO are also relevant here. The strategy should not plan to be dependent on or for working in tandem with the GPO, which is still on the drawing board. Otherwise, the problems seem well described, and we have only a few, more specific comments:

IW 1: Underline the importance of para 31 on tipping points, which is very important in relation to marine knowledge needs, as well as planetary limits in other areas. In the marine context, this is especially important in relation to ocean acidification and climate change. Further thoughts on how to focus on this relationship will be most welcome. Apart from the point on eutrophication and hypoxia, our experts find the other themes mentioned here somewhat haphazardly put together and would like to see some further consideration.

IW 3: The challenges seem well described. Our experts would like to see explicit mention of climate change and ocean acidification; they ask for possible inclusion in the objective to preserve/increase the resilience of marine ecosystems towards climate change and ocean

acidification. If not, it should be explained why this is not deemed necessary (for example if it is covered elsewhere).

They are also questioning what seems to be included in “rights based management regimes”, as well as the emphasis on MPA as a tool. Rights based management may be appropriate for certain areas and for certain types of fisheries, but one should not leave the impression that these are the only management solutions. Extra care is needed, as the expression “rights based” in many fora is synonymous with privatization of natural resources. Therefore, it should be made clear that this is one of several possible means or tools.

The program cannot introduce restrictions as regards management regimes. This is up to the countries in light of their own policies and priorities. The poorest and weakest must not lose fishing possibilities because of privatization of resources. (We have emphasized this also as regards the GPO).

The use of the term MPA often disguises what is really meant. We would recommend that, when MPAs are mentioned, formulations be added that make it clear that this involves introducing relevant protection measures in certain areas. There are several categories of MPAs – the strictest being “no-take zones”, where all fishing is prohibited.

There is often overlapping competence and management responsibility between different authorities as regards coastal zone activities. MPAs are often established by environment- and/or tourist authorities without including those affected in the process, and often not even the fisheries authorities. There is a need for extreme care and sensitivity in these matters.

Para 66 mentions that the IW FA strategy addresses multi-country governance reforms on a long time horizon, while the Fisheries SP will support rapid action in coastal areas over a shorter time scale. We would caution against the latter, as we very much doubt this is possible – changes take time.

We also question the validity of the last sentence of para 66, which also presents the GPO as a success, which is far-fetched at this stage.

We would appreciate views on whether there is room for GEF to engage in combating illegal fishing, in some form and in cooperation with relevant partners.

Chemicals and waste

We are generally well satisfied with the new and improved draft, as well as the approach/restructuring of the FA. Synergies and resilience considerations are important. It is now clearer how the GEF intends to follow up legally binding conventions in the framework of a broad strategy that incorporates the whole chemicals and waste area. The two annexes on mercury and new POPs are instructive.

UNEP’s integrated approach to financing is better described.

Possibilities for synergies are well described, and we appreciate the mention of for example prioritizing projects that cover both mercury and climate change (carbon and mercury emissions reduction).

With so many different programs, while it is important that projects have synergies with other focal areas, the actual chemicals and waste programs must also allow for projects that include several goals and sub-programs.

While it is important to involve industry through partnerships and innovative funding, of equal importance is a balance between projects that support industry and projects that make industry accountable in terms of standards and requirements. For example through improved national legislation with more explicit demands on industry. The programming document seems to put most emphasis on the first case.

The long term goal in para 27 is a bit unclear: The first sentence should perhaps (line 2) be changed to:

“...consumption which prevents the exposure.....” The second sentence should also refer to existing activities/areas of work, not only new ones.

We are positive to performance-based finance and incentives (para 38).

Land degradation

General point: We note there is still (para 15) mention of CCD “guidance” to the GEF. Repeating this assertion does not make it true; the CCD cannot issue guidance to the GEF (in the sense of Instrument Article 6(a)) without first amending the convention. In the same context, care should be taken to describe the GEF as “A” financial mechanism, not “THE”, or simply “MECHANISM”, cf. Instrument Article 6(b). The history of this is well known, and we do not need ever new attempts to change it through the back door, as it were.

Financial issues

Refer also to comments above, especially on the desirability to start reflecting real world changes also in GEF operations. There would seem to be several ways in which this could be achieved, always bearing in mind the unique mandate of the GEF.

Most issues have been touched upon over the years, with the possible exception of adjusting the minimum contribution. The tentative solution arrived at in New Delhi seems like a compromise that could receive general support.

It seems that also the pro rata discussion could be shelved; it does not work very well, if at all, but as some participants still need it, it does not do much harm these days....

Since we shall have a new government around mid-October, we refrain from further comments on the financial issues at this stage. Suffice it to say that we hope OPS 5 and different reviews and evaluations will come up with clever and realistic options in this field.

Policy Recommendations

The document was a good reminder. Agree with the points listed, but, as agreed at New Delhi, a placeholder should be kept for possible other emerging issues, including from OPS 5 and surrounding work.

