

**U.S. Comments on GEF-6 Programming Directions:  
Signature Programs  
September 30, 2013**

We recognize the extensive effort that went into producing the draft Signature Programs concepts presented in September. We also appreciate the efforts aimed at increasing GEF's impact and relevance, objectives the United States supports.

However, the United States is not prepared to support the Signature Programs as currently proposed by the GEF. Significant substantive, financial, and operational changes need to be made to the proposal before any of them could be considered as pilot programs. In order to maximize the likelihood of success while ensuring that GEF resources are not spread too thinly, we continue to believe that only a limited number of programs should ultimately move forward in GEF-6.

First, in order for any of the pilot Signature Programs to go forward, they must be integrated in the GEF system, including as part of the STAR. The Signature Programs should leverage the STAR—not replace it—by requiring countries to contribute STAR resources, in addition to co-financing, to the national activities undertaken as part of the Signature Programs. This would allow the programs to be flexible, country-owned, and demand-driven—not top down.

Second, any additional costs of regional/global cooperation could be paid through a very limited amount of set-asides within focal areas (e.g., in International Waters for fisheries) or outside focal areas in the case of multifocal projects (e.g., incentives to use biodiversity and climate change allocations for the Amazon). To pay for the Signature Programs, GEF should consider using existing set-aside resources, particularly the focal area global/regional set-asides, private sector set-aside, and SFM/REDD+. For example, the GEF should explore using SFM/REDD+ for the Amazon program, the private sector set-aside for Commodities, and the climate change global/regional set-aside for Cities. The set-asides could be structured in several ways, including as a competitive or incentive mechanism.

Finally, while we recognize the importance of addressing the drivers of environmental degradation, doing so must contribute clearly and directly to the GEF's core function as a financial mechanism for the implementation of relevant multilateral environmental agreements that also aim to address these drivers.

Going Forward:

For the December meeting, the Secretariat should focus on *policy*, not on *programming*. The Secretariat should put in place processes and expectations that generate the best proposals. Its role should be to set the overall direction for the programs, and then allow GEF recipient countries, with the assistance of GEF implementing agencies, to propose projects that meet the criteria agreed by the replenishment participants and the GEF Council.

Therefore, the Secretariat should propose a concise description of the Signature Programs policy, including basic operational modalities. We believe the proposal should consist of the following components:

- 1) A brief description of the overall concept, including its origin within the STAP, how the proposal takes into consideration lessons learned from GEF evaluations, and the consultation process undertaken (including agencies, countries, and STAP);
- 2) A short description of each of the five themes, including descriptions of the GEF's comparative advantage with respect to each theme; expected results, including a results framework tied to focal area objectives; what types of countries will be eligible to participate; and how the programs link to multilateral environmental agreement objectives; and
- 3) A concise discussion of the modalities to operationalize the Signature Programs in GEF-6.

The modalities presented under #3 should address the following issues or describe how the Council and Secretariat would address them during GEF-6:

- The role of the Council in agreeing to detailed review criteria and approving projects;
- How proposals should be submitted (e.g., as programmatic approaches);
- How the funding mechanism will be designed (e.g., how countries will use STAR funding to pay for national activities and how minimal additional funding for regional/global cooperation will be determined);
- Whether multiple proposals can be approved under the same Signature Programs theme; and
- How the programs will be designed to facilitate evaluation of their effectiveness during and after implementation.

Like the SFM/REDD+ strategy, the Signature Programs strategy should be included as a subpart of the Programming Directions Paper.

Finally, since chemicals issues are not included in a significant way in the Signature Programs, we believe the chemicals funding should be returned to the focal area and chemicals should not be part of the Signature Programs.

**U.S. Comments on GEF-6 Programming Directions:  
Focal Area Strategies  
September 30, 2013**

**BIODIVERSITY**

We welcome the GEF's continued focus on biodiversity, and note that the GEF remains the main global funder for this key global challenge. We encourage priority focus on the conservation of tropical forests and coral reefs, the two ecosystems containing between them the vast majority of the planet's biodiversity.

Wildlife Trafficking

The *new pilot Program 4 to reduce poaching of elephants and rhinos in Africa* is welcome, but we would like information on how the indicative programming level of \$130 million was determined, and we would like the scope to be broadened to more countries and species. While the African elephant and rhino situation is acute and has received a great deal of media and political attention, poaching and wildlife trafficking in Southeast Asia is also chronic and acute, and threatens the existence of a wide variety of both terrestrial and marine species. Once the scope of the pilot program is broadened to more countries and species and includes demand in Asia, the program can contribute more effectively to broad-based learning.

Biosafety

We recommend shifting to higher-priority areas or otherwise reducing the \$50 million requested for *biosafety programming* since countries are requesting a very small percentage of the \$40 million allocated to biosafety in GEF-5. A GEF report to the Parties of the Cartagena Protocol on Biosafety in preparation for the most recent COP-MOP stated that 93 percent of the funding for biosafety was not used during the reporting period of July 1, 2010 to June 30, 2012. Specifically, the GEF provided only \$2.805 million, which represents 7 percent of the notional allocation of \$40 million for objective 3 of the GEF-5 biodiversity strategy, i.e., to build capacity for the implementation of the Cartagena Protocol on Biosafety. This indicates that biosafety is not a high priority area within the biodiversity programming focal area.

Access and Benefit Sharing (ABS)

Similarly, we question the significant increase in *funding for access and benefits sharing (ABS)* projects from \$40 to \$75 million, given that actual demand for ABS projects has been fairly limited (\$3.9 million allocated as of 9/6/2012); we also suggest several technical changes to the text describing this program. The GEF should clearly acknowledge the linkage between

improving access to genetic resources and generating benefits from the utilization of genetic resources. Without access there can be no benefits, so the programming document should address improving access to genetic resources. The Focal Area Strategy should also focus more on how ABS-related activities contribute to the conservation and sustainable use of biological diversity. If ABS projects do not have benefits for the conservation and sustainable use of globally significant biodiversity, it is difficult to justify such projects as a GEF biodiversity priority. Finally, the strategy should clearly indicate that GEF-funded ABS projects should demonstrate extensive consultation with affected stakeholders and all relevant ministries.

The United States would like to propose several technical changes to the text describing Program 9: *Implement the Nagoya Protocol on Access and Benefit Sharing* in order to improve clarity and consistency with COP guidance. Upon request, we are happy to provide more detailed suggestions.

Para 73: The second sentence in this paragraph is not representative of what the Nagoya Protocol is or does; alternative language can be found on the Nagoya Protocol website.

Para 76: The goal of the Nagoya Protocol is not to “enhance the value of genetic resources,” but to “encourage access to and benefit sharing of genetic resources.”

Para 77a: This paragraph, by emphasizing valorization, may overshadow the Nagoya Protocol’s role in conservation.

Para 77b: “ABS Agreements” isn’t a CBD or Nagoya term, and it’s unclear to what this refers. A country’s role should be to provide prior informed consent for access. The benefit-sharing should come from the mutually agreed terms (MAT), which are agreed by the recipient of the genetic resources and the provider (which is not necessarily the same as the country). The role of dictating benefit-sharing requirements should be handled by each set of providers and recipients (or groups of them, e.g. in subsectors or for specific types of GR). We also note that “Sharing” is part of MAT and not a separate element.

Para 77c: Stakeholders should be able to decide their minimum requirements for themselves for their own genetic resources, rather than the current text’s implication that governments necessarily have a role to impose minimum benefit-sharing requirements and thereby limit genetic resource owners’ freedom to enter into mutually agreed terms as they see fit. We also recommend replacing the reference to “valorization of genetic resources (e.g. bio-prospecting)” with original COP language (i.e. “to add value to their own genetic resources and traditional knowledge associated with genetic resources”).

Para 78: While genetic resources can be developed and species can be researched, we question how species could be “developed.”

Para 79: Technically, there are no Parties yet to the Nagoya Protocol as it has not yet entered into force.

Para 80: It is an extremely controversial question whether the benefit-sharing requirements in the Nagoya Protocol extend to derivatives (in our view they do not), so it is not appropriate to include a reference to them in the context of the GEF work on Nagoya. We also question whether the “screening for active compounds, testing for toxicity and safety and quality control” is relevant to the scope of GEF’s work. Lastly, we note that the “commercial” value of biodiversity is not used in the CBD decision and there are many values of biodiversity beyond the commercial.

Para 81: The reference to Prior Informed Consent (PIC), MAT, and Benefit Sharing Providers is confusing, and seems to imply too large a role for governments creating “ABS agreements” above the mutually agreed terms between provider and recipient (whether governmental or non-governmental), which can include benefit-sharing as the provider and recipient see fit. Governments’ role should be to make PIC determinations; their role in MAT (and thus in imposing benefit-sharing requirements) does not necessarily extend to cases where the government is not itself the provider of privately held genetic resources.

## **CLIMATE CHANGE**

We request that the Secretariat create additional funding scenarios for the climate change focal area with a 1) <10% reduction relative to GEF-5, and 2) constant level relative to GEF-5 to be considered at the December meeting. The GEF is an important operating entity of the financial mechanism of the UNFCCC and we therefore expect the GEF to continue to play an important role in climate change finance. While we recognize the real growing needs of other focal areas, at a time when countries are working hard to increase climate funding from all sources, the currently proposed 10% reduction in the climate change focal area will reduce the scope of GEF’s activities in mitigating climate change and/or ensuring that developing countries have sufficient resources to fulfill their reporting obligations under the UNFCCC. For example, in GEF-5, for the first time developing countries will be submitting biennial update reports, chronicling the implementation of mitigation actions. These reports will be instrumental in ensuring ambitious mitigation action by developing countries, and encouraging accountability for following through on developing country pledges.

We welcome the GEF-6 Climate Change Mitigation Strategy and its focus on supporting integrated approaches that combine policies, technologies, and management practices with

significant climate change mitigation potential. We also welcome its continued commitment to providing support to non-Annex I countries for developing the capacity to produce their biennial update reports.

We appreciate the GEF's recognition that it will support the operationalization of the Climate Technology Centre and Network (CTCN) by financing technology transfer and networking projects that address national and regional priorities. GEF funding is important to help developing countries move toward cleaner technology and develop the capacity to make mitigation commitments in the 2015 agreement.

## **CHEMICALS**

We first would like to commend the GEF chemicals team for its excellent work, including following closely throughout GEF-5 the many activities and global developments in the area of chemicals. On more than one occasion the team has served as an important and timely resource in international discussions, and we want to take this opportunity to recognize the team for playing this very important role.

We request that future iterations of the chemicals strategy be updated to include funding envelopes within the Focal Area. As currently drafted, the programming document lacks the necessary details with respect to how the proposed focal area revision would be implemented in a manner that addresses these and other concerns. While open to the idea, we are not in a position to support the proposal to revise the chemicals focal area until we have sufficient detail to ensure these concerns are addressed.

There have been a number of developments in this area in recent years – including the addition of new chemicals under the Stockholm Convention and a new Convention on Mercury – and our expectation is that the GEF will continue to expand its role in the area of chemicals in GEF-6. Ensuring that the GEF is well positioned to support implementation of the Minamata Convention, including during the interim period as countries take the domestic measures needed to implement obligations under the Convention, should be a GEF-6 priority.

We note that the new draft programming direction proposes a revision of the chemicals focal area for GEF-6, based in part on an invitation from the UNEP Governing Council. During the UNEP Executive Director's Consultative Process on Financing Options for Chemicals and Waste, several countries – including the United States - expressed concern with how revising the chemicals focal area would work in practice. In particular, we want to ensure that the Conventions for which the GEF is the dedicated financial mechanism remain a priority, but we are open to other work in the area of chemicals and waste to the extent that work is complementary to existing priorities and produces global environmental benefits. It is critical to

the United States that any proposed revision to the focal area be done in such a manner that it is absolutely clear that we are not establishing informal or new finance mechanisms for Conventions for which no mechanism was agreed in the negotiations.

Importantly, we see only a narrow subset of waste activities as eligible for GEF funding and more detail on the scope of proposed waste work should be explicitly captured in future iterations of the chemicals strategy. In particular, any support for waste activities must have clear limits both in terms of available funding and also in terms of the nature of waste activities eligible for funding. For example, we would support continued funding for hazardous waste work consistent with obligations under the Stockholm Convention (e.g., managing hazardous waste containing Stockholm-regulated chemicals). In addition, with the new Minamata Convention, we see scope for mercury waste projects consistent with Convention obligations.

With respect to Stockholm programming for GEF-6, there is an unnecessary focus on promoting the revision of National Implementation Plans to reflect recently added chemicals. We believe the focus of GEF-6 programming should be implementation of long-standing commitments, and not planning. Significant funding has already been made available for National Implementation Plans in previous replenishments, and it makes little environmental sense to divert GEF-6 funding for planning when many countries have expressed a need for support to implement long-standing commitments for which GEF has already provided planning funds.

We also would like to note the importance of occupational safety in Chemicals programming. In particular, referencing page 73, para 25, we note that labor ministries should be included in the list of ministries to be consulted, as workers may be exposed to chemicals and waste in their jobs. Labor inspection and occupational safety and health systems are often housed within labor ministries. With regard to page 79, we note that in working to promote the development of the enabling conditions, tools and environment to manage harmful chemicals and wastes, GEF programs should seek to help countries develop effective systems for ensuring occupational safety health and the respect for fundamental worker rights are given due consideration when developing and implementing plans for managing chemicals and waste. The ILO would be a valuable partner in this respect.

### Ozone Depleting Substances (ODS)

We fully support a transition out of ODS to climate friendly alternatives using a wide range of climate-friendly alternatives. We need however to be smart and flexible in terms of technology selection, and try to maximize associated energy efficiency benefits.

We do not support limiting GEF support to ‘natural’ refrigerants; there are climate friendly solutions with fluorinated and non-fluorinated compounds that should be supported. Nor do we

agree to limit GEF support to ‘zero or near-zero Global Warming Potentials (GWP).’ While in some sectors that may work very well (e.g. automotive air conditioning, in other sectors, we may be transitioning from substances with a GWP of more than 4000 to substances with GWPs in the hundreds.

Transitions to new technology need to be carefully thought through and considered on a sector by sector basis. There is no one size fits all approach. In some sectors, there are good technology options to use substances with a GWP less than 10, but other sectors (e.g. residential air conditioning) may not be able to get to that low of a GWP. We support GEF undertaking work that provides energy efficiency benefits and moves toward technologies with substantially lower GWPs.

## **INTERNATIONAL WATERS**

We encourage the GEF to strengthen its focus on transboundary water issues in the GEF-6 replenishment. There are more than 260 river basins that are shared by two or more countries. As demands grow and climate changes, cooperation - within, between and among countries - will be critical to realizing the full benefits from shared waters and minimizing the likelihood of conflicts. The GEF can play an important role in understanding the opportunities and constraints in basins with multiple countries and in building/strengthening mechanisms for cooperation. The GEF’s programs, such as the program on the Water/Food/Energy/Ecosystems Security Nexus and the program to Foster Cooperation for Sustainable Use of Transboundary Water Systems and Economic Growth, will help to achieve the goals of addressing competing demands on water resources and supporting water cooperation.

We are pleased to see that the focal area strategy addresses emerging contaminants. Emerging contaminants to be considered should include pharmaceuticals, nanomaterials, and advanced agro-chemicals.

The revision of the GEF-6 Programming Directions International Waters Focal Area chapter is an improvement over the previous draft. However there are still some gaps and/or concerns with regards to the handling and inclusion of Large Marine Ecosystem (LME) programming and related objectives.

It is important to remember that the LME approach to marine management includes biodiversity parameters, and climate change adaptation - all areas that generally fall under focal areas outside of International Waters . We therefore encourage the GEF to consider ways in which the LME approach can be applied in other focal areas as well.



The Regional Seas programs and their associated LMEs should continue to be a key component of the GEF-6.

We have noted that the International Waters Goal 3 (*Catalyze investments to rebuild marine fisheries, restore and protect coastal habitats, reduce pollution of coasts and LMEs and enhance multi-state cooperation*) is very closely aligned with the Global Partnership for Oceans (GPO). We note that the GPO is still in its early stages and has run into some roadblocks. As such, we would encourage the GEF to consider other initiatives as well as include and reflect the ongoing work in other fora on this important issue. As currently envisioned, we believe the Goal may limit GEF's work in this area and we would not like to see this affect the success of the GEF's International Waters programming, which we have long supported. Specifically, we strongly believe that the FAO should be involved as an essential partner, in order to take advantage of the expertise of its Fisheries and Aquaculture Department, including on small scale fisheries, and its existing global network of regional offices.

The Section "Status of International Waters" as currently written lacks reference to larger issues - e.g., cumulative effects of multiple stressors (natural and human); multi-sector issues, etc. Additionally, coastal and marine issues are not just about fisheries and hypoxia, and those seem to be all that are addressed in this section. Rather this section should be setting the perspective for the entire chapter. Other potential marine issues to consider include aquaculture and marine debris.

The marine portion of the discussion of drivers should be broadened in scope beyond fisheries, as there are certainly other 'drivers' that result in the 'challenges.'

Specifically,

- in para 54, we suggest mentioning that LMEs also represent an opportunity to support each of the three programs listed below (pollution, habitat, and fisheries), as many of the LMEs identify all of these programs as key transboundary issues and all of them cover at least two.
- Program 3.1 to reduce pollutants causing ocean hypoxia could be improved with additional mention of the LME approach as a proven, successful means of achieving some parts of these objectives - one that includes ICM, MPAs, etc. as part of its toolbox.
- Program 3.2 to prevent the loss and degradation of coastal habitats should not be limited to coastal habitats but should also include the open ocean and deep sea.

- We recommend broadening Program 3.3 beyond the direct impacts of fishing. Habitat degradation, climate influences on fisheries, oceanographic variability, etc. all affect marine fisheries. Furthermore, the act of fishing has impacts that are broader than those on target species - e.g., on non-target species, on habitat, etc. Consideration of these additional items would constitute a more holistic, ecosystem-based approach to fisheries management.
- The proposal strongly endorses limited access/property rights approaches, but does not address how fishers who are displaced from a fishery once access is limited will be handled - an important equity concern.
- Greater consideration must be given to social, cultural, and societal issues that contribute to fishery resource degradation or less optimal productivity; the proposal implies that there a one size fits all solution; just because systems worked in one context does not guarantee that they will work elsewhere.
- The proposal also has a heavy emphasis on market fixes, some of which have proven successful in the past; however, it is important to remember that some market fixes have been unsuccessful, as well.
- The project should also address need to consider those fisheries subject to or impacted by access by a foreign nation via an access agreement.
- If any work involves transboundary stocks, such as straddling or highly migratory fish stocks, stakeholder engagement must include the relevant regional fishery management organization.
- We cannot support the move to a single, third-party certification scheme.
- Finally, in para 67, we note that not all LMEs will have commissions - some may take the form of alliances or other forms of sustained coordination units.

## **LAND DEGRADATION**

We do not support the GEF's incorporating or otherwise building land degradation programming around the concept of a "land-degradation-neutral-world" for sustainable land management as referenced in Paragraph 8, page 127. The concept of a "land-degradation-neutral-world", or striving for "zero net land degradation" is not something that has been agreed to by the Parties to the UN Convention to Combat Desertification (UNCCD). Therefore, it would be inappropriate to have the GEF incorporate this concept into their strategic programming at this time.

Furthermore, parties at the 11th UNCCD Conference of the Parties that concluded 27 September declined to call for a “land-degradation-neutral-world”, or to strive for “zero net land degradation” in their decisions, and the views of those Parties should guide us within the GEF.

We also question the focus on drylands within the proposed objective “generate sustainable flows of forest ecosystem services, particularly in drylands”. We would welcome a more holistic approach here, recognizing that other land types (e.g. wetlands, forests, grasslands, etc.) are also important.

## **SUSTAINABLE FOREST MANAGEMENT**

We would like to express our support for the Sustainable Forest Management (SFM) incentive mechanism in GEF-6.

Forest conservation, management and restoration are at the core of GEF’s biodiversity and land degradation focal areas, and are also very important for the climate change focal area. The Sustainable Forest Management Strategy (SFM Strategy) is a strategic and well designed strategy which builds on the experience of the GEF-5 SFM/REDD+ incentive pilot program, and includes a number of useful improvements. The proposed GEF-6 SFM Strategy provides a key incentive mechanism for multi-focal programming at the forest landscape scale. However, we would like more detailed analysis on why the GEF is proposing to change the incentives.

The four objectives laid out for the SFM Strategy – maintained forest resources; enhanced forest management; restored forest ecosystems; and increased regional and global cooperation – are well balanced and appropriate. It is our understanding from paragraph 49 that the regional/global cooperation component would have a ceiling of 10% of the overall SFM Strategy envelope. In the context of the Signature Programs, we wonder whether this new set-aside is necessary.

While Objective SFM-1 – “Maintained Forest Resources: Reduce the pressures on high conservation value forests” – rightly highlights the need to address drivers of deforestation and enabling conditions, it should also highlight more clearly the need for GEF to support the establishment and effective protection and management of protected areas and protected areas systems. While the link is noted in paragraph 27, and we are aware that biodiversity envelope funding provides considerable support for forest protected areas, it is important that GEF make clear that both reducing pressures on standing forests and strengthening the protection of those forests within protected areas are indispensable and synergistic aspects of this Objective.

As the GEF-6 replenishment process considers the proposed “Signature Programs”, the SFM incentive mechanism offers a useful model.