



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET



WORLD BANK GROUP
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GEF-8 REPLENISHMENT POLICY RECOMMENDATIONS
(PREPARED BY THE SECRETARIAT)

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DRAFT GEF-8 POLICY RECOMMENDATIONS

1. This document presents a summary of the GEF-8 policy recommendations, for Participants' consideration and decision. It summarizes the key issues deliberated by Participants during the Replenishment negotiations in a set of draft recommendations to be included in the GEF-8 package and accompany the GEF-8 Replenishment Resolution. This document is complemented by the separate detailed analyses contained in the Policy Directions papers presented to the Second and Third Replenishment Meetings.¹
2. The draft GEF-8 policy recommendations are aimed at sharpening the GEF resource allocation process, further refining results measurement and management approaches, enhancing the sustainability and inclusiveness of GEF programming, and striking an appropriate balance in the share of GEF resources implemented by GEF Agencies. The recommendations also mandate cross-cutting efforts to streamline and implement further efficiency measures throughout GEF operations.
3. The policy recommendations are motivated by the need for scaled up ambition across sectors and focal areas, including guidance provided by the Conferences of the Parties to the multilateral environmental agreements that the GEF serves. They are informed by the OPS7 and inputs from Observers and other stakeholders. Finally, they reflect the outcomes of negotiations among GEF-8 Replenishment Participants on all aspects of GEF programming and strategic directions, and on the specific policy recommendations deliberated by Participants throughout the GEF-8 negotiations.
4. The draft policy recommendations cover actions in the following areas:
 - I. Overarching Issues
 - II. Concentration of GEF funding among Agencies
 - III. Results
 - IV. The Inclusion Agenda
 - V. Sustainability of GEF investments
 - VI. Resource Allocation (STAR)

I. Overarching Issues

- i. Participants, having reflected on the extensive policy reform agenda implemented through the GEF-6 and GEF-7 Replenishment periods, agree that the GEF Partnership should continue to focus implementation of these updated policies, including incorporating lessons learned and tapping opportunities for knowledge and learning across the Partnership.
- ii. Participants recognize the importance of sound institutional policies and guidelines for the effective operation of the GEF, achievement of results, and safeguarding

¹ GEF/R.8/06, *GEF-8 Policy Directions: The Enabling Environment for Transformation*, and GEF/R.08/14, *GEF-8 Policy Directions*, GEF-8 Replenishment (Third Meeting), February 2022

resources and people. Participants also acknowledge the risk of increased complexity in GEF operations and request the Secretariat and Agencies to identify opportunities for further streamlining, consolidation and efficiencies and begin implementation of these actions early in GEF-8.

II. Concentration

- i. Participants reaffirmed the importance of country ownership in the GEF and that countries are free to choose their preferred GEF Agency to implement GEF projects.
- ii. Participants nevertheless agree that active measures are needed to avoid high concentration of funding in a small number of Agencies.
- iii. Participants encourage all Agencies, particularly MDBs, to engage in Integrated Programs and invites the Secretariat to find measures that can help facilitate this engagement.
- iv. Participants request the Secretariat to further empower Operational Focal Points in making informed selection of GEF Agencies.
- v. Participants request the Secretariat to emphasize principles of collaboration among Agencies and in their relationship with countries in future updates to the Project Cycle and other relevant GEF Guidelines. Participants request Agencies to actively pursue opportunities for collaboration at the country level.
- vi. Participants request the Secretariat to introduce further streamlining measures aimed at reducing transactions costs for all Agencies and facilitating increased access by Multilateral Development Banks (MDBs).
- vii. Participants request the Secretariat to include data on concentration measures in its regular annual reporting products such as the Annual Monitoring Report.
- viii. Participants request the Secretariat to explore possibilities for Council to include the modalities to invite additional GEF Agencies to the Partnership to address specific gaps in thematic and geographic coverage.

III. Results and Monitoring

- i. Participants agree the GEF should build upon the 11 integrated Core Indicators set out in GEF-7, with updated targets to reflect the high level of ambition required for a nature positive, carbon neutral and pollution free future.
- ii. Participants agree that the GEF-8 Results Measurement Framework consists of two tiers of measurement, bringing together the set of Core Indicators and Portfolio Scorecard metrics, and the instrument for reporting shall remain the Annual Monitoring Report.
- iii. Participants support further work by the Secretariat to analyze co-benefits improving human and socio-economic well-being and to enhance their capture in the ambit of GEF-funded projects and programs to further support Global Environmental Benefits (GEBs).

- iv. Participants request the Secretariat and Agencies to expand capture of the OECD-DAC Rio Markers to include those specific to Biodiversity and Desertification. Participants also support enhanced transparency by publishing through the International Aid Transparency Initiative (IATI) and reporting to Conventions.
- v. Participants request that the Secretariat enhance dialogue with Agencies on implementation challenges through: a) annual bilateral communications² among the Agencies and Secretariat; b) convening Country Performance and Learning Reviews³ over the GEF-8 period; and c) fostering the use of Mid-Term Reviews (MTRs) across the Partnership.

IV. Inclusion Agenda

- i. Participants, considering IEO findings and recognizing the considerable advances made by the GEF through extensive revisions and updates to its policies and approaches related to Stakeholder Engagement, Gender Equality and Environmental and Social Safeguards, support continued implementation of these policies and approaches.
- ii. Participants request the Secretariat to undertake a gap analysis to identify areas that GEF may need to strengthen its approach and guidance. This will include: i) attention to people marginalized by virtue of their sexual orientation or gender identity and provisions to protecting the rights of LGBTQ+ persons, and ii) attention to youth as effective change-makers.

V. Sustainability of GEF Investments

- i. Participants acknowledge initiatives across the GEF Partnership aimed at promoting sustainability, and the recommendations of OPS-7.
- ii. Participants request the Secretariat to further strengthen sustainability at the project design and implementation stages through the following actions: a) continue to monitor the relevant dimensions of sustainability⁴ through project design and implementation; b) develop and implement a partnership-wide Knowledge Management strategy; c) enhance country ownership and engagement through the implementation of the proposed GEF-8 Country Engagement Strategy, d) promote domestic policy coherence as a contextual factor in programming; and e) continue implementation of the sustainability-related recommendations contained in the management responses to the OPS-7 evaluations.

VI. Resource Allocation (STAR)

- i. Participants take note of the key role that the GEF-8 STAR will play in helping countries achieve their global commitments in the next decade.

² As described in GEF/R.08/14, *GEF-8 Policy Directions*, GEF-8 Replenishment (Third Meeting), February 2022

³ Additional detail on content of the Reviews is contained in GEF/R.08/14, *GEF-8 Policy Directions*, GEF-8 Replenishment (Third Meeting), February 2022

⁴ As described in GEF/R.08/14, *GEF-8 Policy Directions*, GEF-8 Replenishment (Third Meeting), February 2022

- ii. Participants agree that recipient countries should have full flexibility in the use of their GEF-8 STAR allocations, to further facilitate the mainstreaming of integrated programming principles and in order to optimize and maximize investments to increase positive impact.
- iii. Participants support the expansion of the use of the Rio Marker methodology to include biodiversity-related and land degradation-related financing, and request the Secretariat to regularly report on the relevant shares of financing related to these thematic areas.
- iv. Participants agree with the increased focus on vulnerable countries (defined as SIDS and LDCs) in the GEF-8 STAR.
- v. Participants support the harmonization of the SIDS floors with the LDC floors, and further support the raising of these aggregate floors.
- vi. Participants support the lowering of the focal area ceiling percentage.
- vii. Participants support the introduction of a Vulnerability Index into STAR, to replace the GDP Index.
- viii. Participants support the composition of the Vulnerability Index by an economic/social index and an environmental index, and agree to the use of the HDI and the EVI respectively.
- ix. Participants support the equal weighting of these economic/social and environmental sub-indices in the creation of the composite vulnerability index, and agree with the overall weighting of the vulnerability index in the STAR formula.
- x. Participants take note that the introduction of a Policy Coherence Index into the GEF-8 STAR is not feasible at this time, and welcome other strategic entry points on policy coherence.
- xi. Participants support the creation of a small competitive window in STAR, with its viability dependent upon the size of the replenishment, and agree with the thematic focus of this window on policy coherence.
- xii. Participants take note that the operational details of the competitive window will be further articulated if needed in the operational guidelines of STAR that will accompany the GEF-8 STAR to the 62nd Council in June 2022.

ANNEX 1: TIMELINE FOR IMPLEMENTING THE GEF-8 POLICY RECOMMENDATIONS

Date	Action
CONCENTRATION	
December 2022	Updated Project and Program Cycle Guidelines, to include streamlining measures
RESULTS AND PORTFOLIO OVERSIGHT	
November 2022	Annual Monitoring Report to report on progress against the GEF-8 Results Measurement Framework
December 2022	GEF-8 Corporate Scorecard expanding regular reporting on the Biodiversity and Desertification Rio Markers, as well as on private sector co-financing
December 2022	Annual bilateral communication sent from GEF Secretariat to each Agency identifying investments facing implementation challenges and seeking prompt progress.
INCLUSION AGENDA	
December 2023	Review complementarities across policies Gap analysis for areas of further work
RESOURCE ALLOCATION (STAR)	
June 2022	GEF-8 STAR Policy for Council Decision
July 2022	GEF-8 STAR Country Allocations made public