

A satellite view of Earth at night, showing the curvature of the planet and the glowing aurora borealis in the upper atmosphere. The city lights of North America are visible, with a dense concentration in the eastern United States and Canada. The text is overlaid on the left side of the image.

# GEF-8 Revised Policy Recommendations

Interim GEF-8 Replenishment Meeting  
March 8-9, 2022

# Additional Feedback Received

## STAR

- Flexibility - but a process to track impacts on FA allocations
- Increase and harmonize floors, introduce competitive and vulnerability elements
- Continued concern from some on vulnerability definitions, use of vulnerability indices, competition

## Results

- Measure direct and indirect impacts

## Concentration:

- Aspirational targets for RDBs (+IFAD), aspirational cap 30%

## Sustainability, Inclusion

- Gap analysis of FCV

## Other: Optimizing Use of Resources

- Coordination with broader group of funds
- Analysis of non-concessional options
- Increased ambition on co-financing



# Summary Status (1)

## Issue

**Overarching Issues**

**Results and Monitoring**

## Convergence

- ✓ **Implementation Focus**
- ✓ **Collaboration with other funds**
  
- ✓ **Monitoring of direct and indirect benefits using appropriate methodologies**
- ✓ **Improve the capture of human and socio-economic well-being and climate change adaptation co-benefits**
- ✓ **Add reporting on private sector engagement, co-financing**

## Summary Status (2)

### Issue

**Sustainability**

**Inclusion**

### Convergence

- ✓ **Knowledge and Learning Strategy**
- ✓ **Country Engagement Strategy and Country Support Program**
- ✓ **Management response to OPS-7 Recommendations**
  
- ✓ **Gap Analysis to include youth, marginalized, LGBTQ+, disability and inclusion**
- ✓ **Gap Analysis to include operating in Fragile and Conflict-Affected States**

# Concentration

## Convergence

- ✓ **Country ownership**
- ✓ **Agreed measures**
- ✓ **Reporting**

## Additional Elements

- “Aspirational” target of 10% for RDBs (including IFAD)
- “Aspirational” cap of 30% for any one Agency
- Enhanced reporting, including on Agency choice, barriers to entry in the AMR
- Gap analysis on thematic, geographic coverage for new accreditation

## Convergence

- ✓ **Full Flexibility - conditional on mid-term review**
- ✓ **Harmonizing SIDS, LDCs floors**
- ✓ **Lower FA Ceiling to 6%**

## Additional Elements

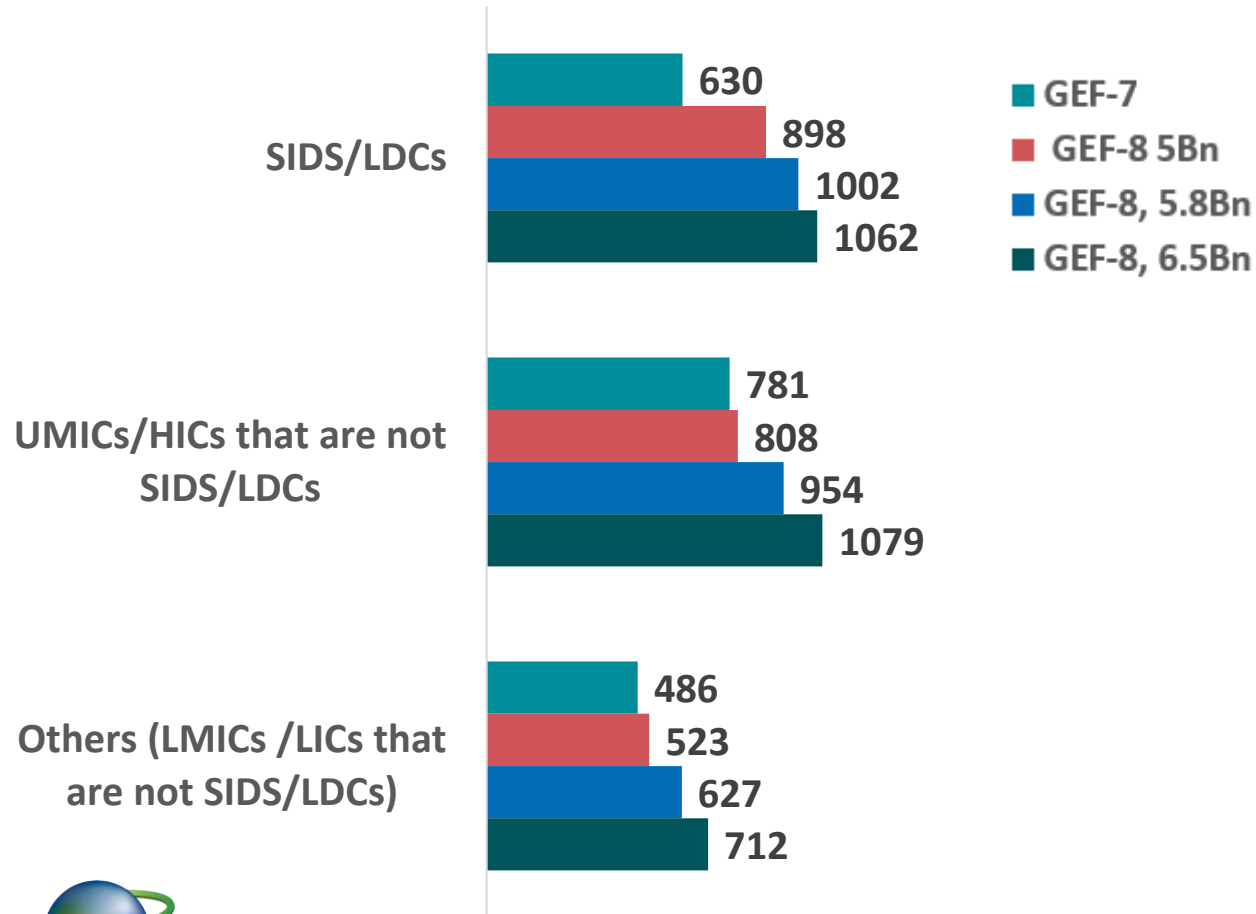
- Vulnerability Index to replace GDP Index
- Overall weighting of VI of 0.6
- Absolute amount of floors to depend on Replenishment size
- Options paper on policy coherence considerations
- Competitive window = 10% of Top 5 (for Council approval in June 2022) , focus on policy coherence

# GEF-8 STAR Parameters

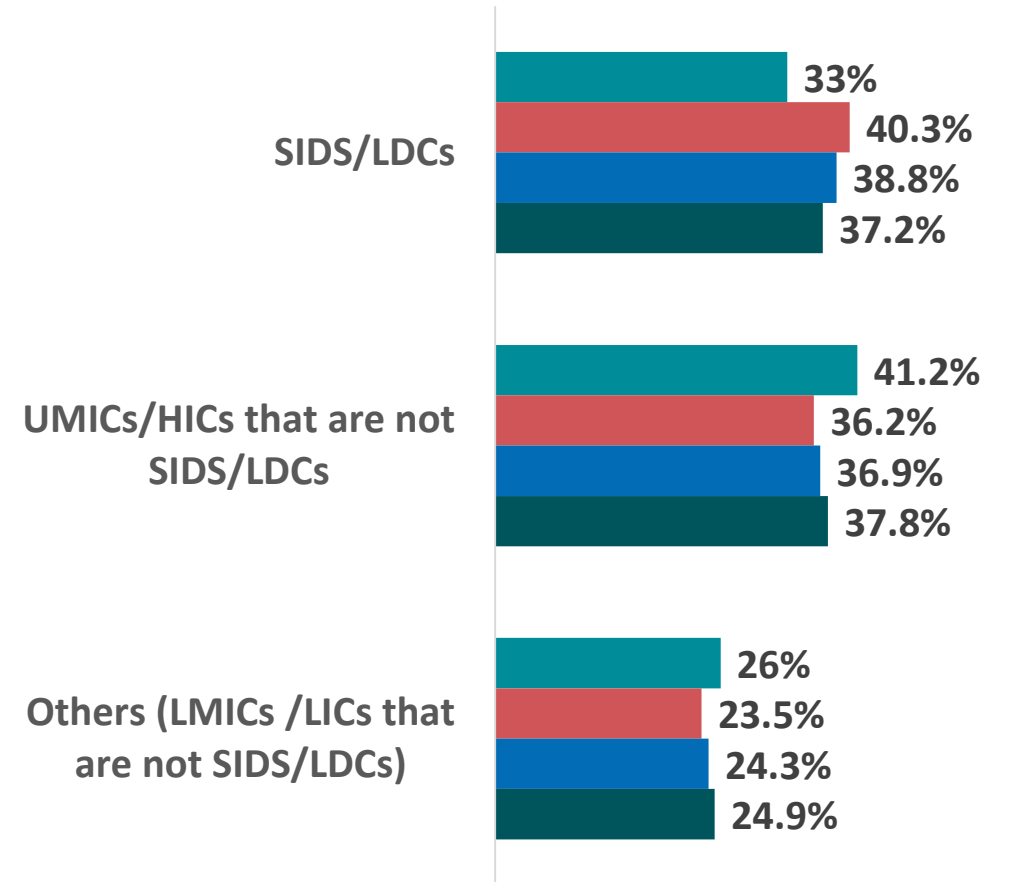
	GEF-7	GEF-8, 5Bn Scenario	GEF-8, 5.8Bn Scenario	GEF-8, 6.5Bn Scenario
Weights for Existing Indices	Existing	Same as GEF-7	Same as GEF-7	Same as GEF-7
Aggregate SIDS/LDCs floors	\$6 Mn	\$7 Mn	\$8 Mn	\$8 Mn
Aggregate Non-SIDS/LDCs floors	\$4 Mn	\$4 Mn	\$5 Mn	\$5.5 Mn
Focal Area Ceilings (Original Ceiling calculation)	10% of STAR focal area allocations plus set-asides	6% of STAR focal area allocations plus set-asides	6% of STAR focal area allocations plus set-asides	6% of STAR focal area allocations plus set-asides
Weight for the Vulnerability Index	N/A	0.6	0.6	0.6
Weight for the Vulnerability Sub-indices (HDI & EVI)	N/A	50% and 50%	50% and 50%	50% and 50%

# Preliminary, Illustrative GEF-8 Simulations

\$ Mn USD, STAR Country Allocations



%, Share of Total STAR Country Allocation





# Optimizing Use of Resources and Ensuring Equitable Access

## Convergence

- ✓ **Explore streamlining, consolidation and efficiency measures (e.g. elimination of 2-steps for Medium-Sized Projects)**

## Additional Elements

### **Integrated Programs:**

- Develop Lead Agency selection criteria for Council approval
- Single incentive ratio of 1:3
- Cap on country incentive amounts – analysis for Council approval
- Minimum threshold = USD 2mn

**Concessionality:** Secretariat to explore options for increased NGI, non-concessional funding

# Timeline: GEF-8 Policy Recommendations

