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POLICY DIRECTIONS FOR GEF-9

(PREPARED BY THE GEF SECRETARIAT)

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EXECUTIVE SUMMARY AND ADJUSTMENTS ADDRESSING PARTICIPANTS' POSITIONS

i. This version of the Policy Directions and resulting Policy Recommendations in Annex A is for decision at the 3rd Replenishment meeting in January 2026. It reflects negotiations among Participants and feedback received by the Secretariat throughout the GEF-9 Replenishment process. Key developments since the version presented at the 2nd Replenishment meeting are outlined in paragraph vi below.

ii. The four years of the ninth GEF phase will be critical. The GEF needs bold actions to meet the demands and expectations of parties to environmental progress. It needs to establish the necessary foundation and enabling environment for the high-level goals set in the GEF-9 Strategic Positioning and Programming Directions, including through faster and nimbler investments, augmented financing, reinforced country ownership and adequate access to finance and architecture.

iii. This process asks for a step change in how countries face today's environmental crisis. The GEF has a critical role to play in meeting the moment by evolving its operating model and the broader GEF Partnership.[1]

iv. Through recent replenishment phases, the GEF has faced high demand for its support and external requests for more open, simpler and fit-for-purpose processes. Important stakeholders raising these points include the GEF IEO, MOPAN, the G20, and Conferences of the Parties to Multilateral Environmental Agreements. The GEF has responded by expanding the GEF family of funds, making more innovative use of financing and adapting its architecture to unique needs.

v. The GEF has reached a stage where its current scale of resources, implementation modalities, policy standards, and architecture need to be enhanced to fully meet today's environmental ambitions. Support for ambitious policy actions in GEF-9 would allow to scale support to tackling the world's ambitious environment agenda. This set of actions is structured around 'The Five As', strategic themes that, taken together, outline the measures needed to enhance the GEF's reach, catalytic role, effectiveness, and efficiency, maximizing its transformative impact and optimizing resource use.

vi. This paper and its Policy Recommendations address Participants' comments, feedback and reflections through refining policy actions as follows:

① *Accelerated & Streamlined Delivery.* To strengthen the GEF's efficiency, measures include refining the move to a simplified, accelerated project review and approval modality, harmonizing Agency fees, and a commitment to review fees and project management costs to ensure resources are deployed more effectively. It is further clarified that detailed policy and

[1] GEF/R.9/07: Integration for Greater Impact: Eighth Comprehensive Evaluation of the GEF, Washington, DC, GEF IEO, 2025.

operational changes will be presented to Council for implementation in accordance with the timeline in Annex A.

② *Affordable & Scaled Finance.* Key policy actions are consolidated to unlock a step change in blended finance deployment. Additional detail on types and sources of co-financing and the emphasis on joint co-financing to amplify leverage is provided.

③ *Agile and Effective Implementation.* Efforts to accelerate project start-up now place greater emphasis on clearly describing institutional arrangements and the path to first disbursement, coupled with stronger engagement to drive portfolio performance. The required policy amendments are outlined in Annex A.

④ *Augmented Access and Empowered Countries.* The cap of 25% of the GEF portfolio per Agency was retained (from the current 30%), with no minimum activity required, and the target for programming through MDBs is increased to 25%. The project-based accreditation approach was dropped, the criteria for selection of new Agencies clarified, and options to fast-track Enabling Activity financing, facilitate blended finance and support IPLCs – while upholding the country ownership principle across GEF financing – have been further elaborated.

⑤ *Appropriate Architecture and Representation.* Responding to Participants' feedback, Participants will invite Council Members to consider establishing a dedicated, ad hoc working group to address governance and oversight enhancements, with clear objectives, milestones and timeline.

vii. Progress across these themes will require concrete adjustments. A simplified, accelerated financing approach across all funds, with streamlined review timelines, can accelerate project preparation while enhancing quality. Innovative modalities and stronger public-private finance blending will enhance the role of strategic partnerships. Incentives for project readiness and timely implementation, supported by adaptive management will improve delivery. Expanding the pool of Agencies and fostering inclusive execution – including by CSOs, Indigenous Peoples and local communities' organizations – will broaden access, particularly for SIDS and LDCs and with the private sector. Ensuring the GEF's architecture is fit-for-purpose is essential to the continued relevance and impact of the GEF family of funds.

viii. This paper also details the ambition and mechanics behind adjustments to the GEF's System for Transparent Resource Allocation, the new architecture for the GEF-9 Results Management Framework, addressing critical needs to better measure system transformation and socio-economic co-benefits, and areas to strengthen risk management. Finally, the Policy Recommendations for GEF-9 are included in a separate Annex A, for decision.

ix. The GEF will continue its progress of modernization embarked upon in GEF-8, to ensure the most effective use of its resources in delivering lasting environmental outcomes. It is also recognized that bold step-wise changes require close collaboration between the GEF Secretariat, Agencies, Trustee, STAP and IEO, under authorization from Council, in order to turn policy options into action.

INTRODUCTION

1. The policy actions outlined in this document establish the necessary foundation and enabling environment for the high-level goals set in the GEF-9 Strategic Positioning and Programming Directions, allowing the GEF to meet the ambitions and expectations of its stakeholders, including its responsibilities as the financing mechanism for Multilateral Environmental Agreements. This paper sets out an ambitious set of policy reforms for the GEF-9 period, to augment the efficiency and effectiveness of GEF financing to countries and leverage other sources of environmental finance.

2. The GEF-9 Replenishment occurs at a pivotal moment, with the opportunity to bridge the gap between current financing for the environment and what is needed to achieve critical global goals to 2030 and beyond. Addressing this gap requires both increasing financial flows through resource mobilization and simultaneously reducing financial needs through greater policy coherence. Indeed, international environmental negotiations explicitly highlight the need to increase financing towards global environmental goals and targets, including from countries that voluntarily assume obligations of developed countries.[2] International processes on biodiversity, climate finance and plastic pollution all highlight the increasing expectation for countries to mobilize and align greater volumes of environmental finance.[3]

3. In this context, the policy actions for GEF-9 reflect feedback, analysis and consultations from across the GEF Partnership. With a solid track record of reforms upon which to build, the GEF is uniquely positioned to drive the required changes. This role is further reinforced by its function as the financial mechanism for multiple environmental conventions, its leadership in advancing integrated solutions, and its global reach, enabling it to champion innovation in areas such as policy coherence, whole-of-society approaches, calculated risk-taking, and blended finance. This approach leverages these strengths to deliver the necessary transformation, with the recognition that successful implementation will be a shared achievement across the GEF Partnership, particularly with contributing participants, recipient countries, and Agencies.

4. The policy actions for GEF-9 are ambitious, but the stakes are high for the planet and the countries the GEF serves. They build on calls for reform from external assessments, evaluative evidence and guidance by Parties to Conventions expressed over recent years that demand both incremental and fundamental changes to the GEF operating model as a family of funds presented in Section 1. In direct response, a set of policy actions structured around the main elements advanced by these stakeholders is outlined in Section 2. Section 3 focuses on how the GEF's

[2] Monitoring, transparency, verification and compliance of the financial commitments are key topics in ongoing international discussions, including within the CoPs.

[3] CBD COP15, CBD/COP/DEC/15/4; UNFCCC COP29, FCCC/PA/CMA/2024/L.22; https://www.un.org/depts/los/convention_agreements/convention_overview_convention.htm; https://www.unep.org/inc-plastic-pollution; Decision CBD COP16, CBD/COP16.2/34, related to exploring modalities to broaden the donor base.

System for Transparent Allocation of Resources aims to incorporate latest methodological and data advancements addressing evolving demands for change. Finally, Section 4 indicates priorities for the development of the GEF-9 Results Management Framework. Annex A presents the Policy Recommendations and a timeline for implementation.

5. These policy actions are products of past Council decisions, directions and exchanges, including with the Council Working Group on the Streamlining Process. They also build on consultations with recipient countries and Agencies, findings from the IEO's Eighth Comprehensive Evaluation of the GEF (OPS8),[4] as well as guidance from parties to environmental agreements. Further detailed work with the Trustee and other partners will be needed to operationalize them. Altogether, these actions extend the GEF modernization that has been underway during GEF-8. This ambitious policy program will facilitate and create the enabling environment for the implementation of the GEF-9 Programming Directions.

6. Taken together, the proposed GEF-9 policy actions mark a significant shift from GEF-8 commitments in scale, breadth, and depth. While GEF-8 advanced efforts on key areas—concentration, results and monitoring, inclusion, sustainability, STAR, communication and visibility, and equitable access—GEF-9 aims to transform core aspects of the GEF Partnership shaped over the past decade. It signals a business model evolution: from light-touch streamlining to a shortened approval process; from an enhanced role for Non-Grant Instruments to new channels for scaled-up finance; from portfolio oversight to proactive portfolio management; from targeted measures on concentration to solutions that broaden access; and from continuous governance improvements to more fundamental reforms for the family of funds. GEF-8 measures catalyzed progress across the Partnership, positioning it for greater contributions toward 2030. These commitments fostered more integrated impact, stronger country ownership, and improved delivery and demonstration of results. In operations, they strengthened accountability and transparency, fiduciary integrity, voice and avenues of recourse for affected people and communities. The GEF has fulfilled these commitments through Council decisions, internal efforts, and consistent accountability (see Box 1).

Box 1. The GEF has Delivered on 41 Commitments in GEF-8

Overarching Issues	**Sustainability of GEF investments**
✓ Focus implementation of the policy reform agenda	✓ Continue address sustainability
✓ Work with Multilateral Climate Funds	✓ Knowledge and Learning Strategy
Concentration of GEF funding among Agencies	✓ Implement the GEF-8 CES
✓ Target for regional MDBs and IFAD	✓ Promote policy coherence

[4] The findings of GEF IEO's Eighth Comprehensive Evaluation of the GEF inform all sections of this document, including overall framing, innovation (e.g. policy coherence, whole-of-society approaches, calculated risk-taking, and blended finance), results, monitoring, risk, inclusion, sustainability, equitable access, and project cycle efficiency — particularly for LDCs, SIDS, and vulnerable countries — as well as co-financing, STAR, communication, and engagement in FCS contexts. See: GEF/R.9/07: Integration for Greater Impact: Eighth Comprehensive Evaluation of the GEF, Washington, DC, GEF IEO, 2025.

✓ Empower Operational Focal Points ✓ Access to information on Agencies ✓ Collaboration between Agencies and countries ✓ Streamlining measures ✓ Analysis on concentration ✓ Improve agency coverage **Results and Monitoring** ✓ Maintain Core Indicator ✓ Adopt the GEF-8 RMF two tiers ✓ Options to track socio-economic co-benefits ✓ Track all Rio Markers ✓ Targets for Rio Markers ✓ Bilateral exchanges on portfolio progress ✓ Country Performance and Learning Reviews ✓ Use of Mid-Term Reviews ✓ Report on actual results **Inclusion Agenda** ✓ Continued policy implementation ✓ Gap analysis on sexual orientation, youth and disability ✓ Gap analysis on engagement in fragility and conflict	✓ Implement sustainability recommendations **Resource Allocation (STAR)** ✓ Full flexibility implementation ✓ MTR of the full flexibility ✓ Increased share to SIDS and LDCs ✓ Harmonization of SIDS floors with LDCs’ ✓ Lowering focal area ceiling ✓ Formula adjustment ✓ Options for policy coherence ✓ Policy coherence competitive window ✓ Vulnerability analysis **Optimizing the Use of Resources and Ensuring Equitable Access** ✓ Streamlining, consolidation and efficiencies ✓ Enhanced integrated programming ✓ Transparent management of Integrated Programs ✓ Incentive for Integrated Programs ✓ Incentives for SIDS and LDCs – Options for additional NGIs

7. The Policy Directions identifies actions for policy reforms deemed necessary by external assessments and parties to conventions to meet high expectations for GEF-9 and the GEF family of funds. These assessments highlight the need for bold and urgent actions to enhance the GEF’s accessibility, affordability, accelerated and streamlined delivery, adaptability and architecture. They also reflect findings of the OPS8, which indicates what is working well and needs to be continued, as well as what needs to be enhanced and improved.

8. The collaborative efforts and key international forums that have assessed and deliberated the effectiveness and efficiency of the GEF during GEF-8 include, among others, the G20 Sustainable Finance Working Group (SFWG), the Long-Term Vision between the GEF and the GCF, the Multilateral Climate Funds Action Plan,[5] independent reviews of the effectiveness of the GEF by conventions and MOPAN—the Multilateral Organisation Performance Network comprising 20 donor countries responsible for assessing the performance of major multilateral organizations— as well as the Conferences of the Parties to environmental conventions.[6]

[5] Extensive collaboration among the four MCFs is driving the implementation of a Joint Action Plan aimed at strengthening coherence, complementarity, and harmonization. In parallel, the policy actions outlined in this document, as well as the development of the GEF-9 Results Management Framework, have been refined through benchmarking exercises and exchanges with the MCFs.

[6] References include: MOPAN, *MOPAN Assessment Report GEF*, May 2025; *Resource Mobilization and Financial Mechanism*, Decision adopted by the Conference of the Parties to the Convention on Biological Diversity on 27 February 2025, CBD/COP/DEC/16/33; G20 Independent High-Level Expert Group Review of the Vertical Climate and Environmental Funds, *Accelerating Sustainable Finance for Emerging Markets and Developing Economies*, 2024; Stockholm Convention, *6th Review*

Decisions, directions and exchanges of the GEF Council, including the Council Working Group on the Streamlining Process and Risk Appetite Working Group, also assisted in setting the stage for extending the reforms of the GEF initiated in GEF-8. Finally, the implementation of commitments made in response to the GEF Independent Evaluation Office (IEO) Seventh Comprehensive Evaluation of the GEF (OPS7) and findings and recommendations from OPS8 feed into the Policy Directions development. Collectively, these considerations are raising five strategic questions:

- How can the GEF further streamline its project cycle and processes while maintaining quality?
- What innovative instruments, blended finance solutions and strategies to crowd in the private sector can enhance affordability and amplify impact? What strategies can be employed to strengthen co-financing and leverage the expertise and capital of MDBs?
- How can the GEF be more proactive in ensuring effective implementation and portfolio performance? What adaptive measures can address emerging project challenges?
- How can the GEF enable countries to implement a whole-of-society and whole-of-government approach to achieving environmental goals, including through improved collaboration with an expanded set of Agencies?
- How can the GEF governance architecture be more efficient and effective, through enhanced representation?

9. These questions frame the evolving context of the GEF. The Policy Directions for GEF-9 address them within the framework of five key themes – or 'The Five As.' These strategic themes reflect both the calls for improvement and the ambition of GEF reform. Section II presents the specific context and identifies the entities associated with each action area. The GEF-9 program of priority policy measures is similarly organized around 'The Five As,' ensuring a clear link between this context and the proposed policy actions:

① Accelerated & Streamlined Delivery

② Affordable & Scaled Finance

③ Agile and Effective Implementation

④ Augmented Access and Empowered Countries

⑤ Appropriate Architecture and Representation

of the Financial Mechanism of the Stockholm Convention, 2024; Stockholm Convention, *SC-8/16*: Financial mechanism; Stockholm Convention, *SC-9/15*: Financial mechanism; UNFCCC, *Decision 7/CP.28*; UNFCCC, Decision -/CP.29; UNCCD, *Decision 9/COP.16*.

I. A COMPACT OF PRIORITY POLICY ACTIONS

10. The Policy Directions identify actions in response to the findings from external assessments and the priorities expressed by parties to Conventions. This concrete program of policy actions not only addresses the current context but also positions the GEF to meet the ambitions for GEF-9 and the GEF family of funds. Taken together, the Policy Directions for GEF-9 set out measures needed to strengthen the GEF's reach, catalytic role, results, effectiveness, and efficiency, supporting greater impact and more strategic use of resources.

11. The set of policy actions reflects direction provided by replenishment Participants on how to modernize the GEF, building on the GEF Reforms and existing policies. Operational practices, partnership activities, and a suite of policies, guidelines and norms shaped over time by Replenishment negotiations and made operational by the GEF Council, Secretariat, Trustee and Agencies enable the GEF to raise the bar as it aims to better support the achievement of more integrated and ambitious programming objectives. This not only enables the GEF to adapt to change, but also help to drive it.

12. While taking place within the 9th Replenishment of the GEF Trust Fund, these policy actions will serve the GEF family of funds, which has grown to comprise the Global Environment Facility Trust Fund (GEF Trust Fund), Global Biodiversity Framework Fund (GBFF), Least Developed Countries Fund (LDCF), Special Climate Change Fund (SCCF), Nagoya Protocol Implementation Fund (NPIF), and Capacity-building Initiative for Transparency Trust Fund (CBIT). Indeed, policies, procedures and the governance structure of the GEF apply to all funds, unless the respective Council decides otherwise, consistent with the GEF Instrument, as informed by guidance of the relevant Conference of Parties. This led for example the GBFF to adopt a more streamlined project cycle, specific governance features, as well as the ability to accept contributions from all sources.

13. Combined, these five policy areas make the Replenishment an important step in strengthening how the GEF delivers impact. By enhancing speed, mobilizing additional resources, streamlining implementation, expanding access, and empowering countries, these reforms will drive greater impact and responsiveness. An enhanced architecture will further ensure transparency and effectiveness, positioning the GEF to meet global environmental challenges with agility and scale. The following sub-sections outline the actions identified under each of the five priority policy areas, linking them to key findings and priorities from assessments and international forums. It highlights the critical issues the GEF must address and the rationale behind each action.

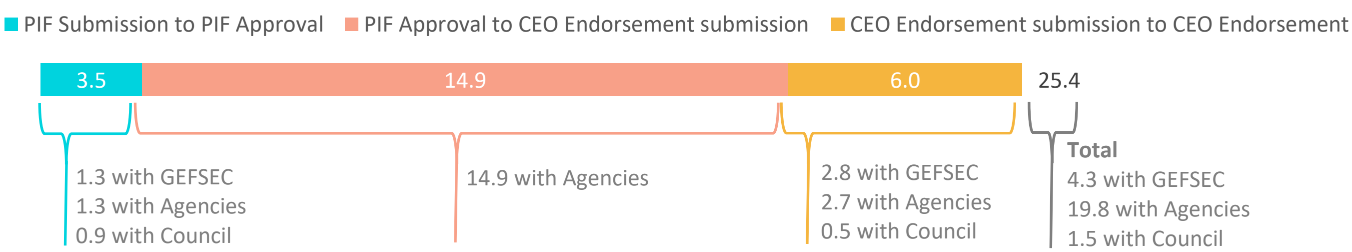
Accelerated and Streamlined Delivery

14. ***Context.*** The GEF has faced increasing scrutiny from Conferences of Parties and external assessments regarding its ability to deliver timely support. Recent reviews of the GEF, including

the IEO's findings from its eighth comprehensive evaluation of the GEF (OPS8) and guidance from the CBD, Stockholm Convention, UNFCCC and UNCCD have called for greater streamlining and flexibility in project cycles, particularly to enhance timely access for LDCs, SIDS, and environmentally vulnerable countries. The G20 Sustainable Finance Working Group (SFWG) has highlighted that accessing funds remains challenging for beneficiary countries and some GEF Agencies, with project approval processes contributing to delays and high transaction costs. Similarly, MOPAN has noted perceptions among stakeholders that GEF's project management procedures are cumbersome, leading to prolonged project cycles. Additionally, the G20 has stressed the need to strengthen upstream support for pipeline development and early-stage feedback. Rigid approval requirements that do not account for entity type, project size, or risk profile further exacerbate inefficiencies, as noted in both the G20 and MOPAN assessments. Addressing these concerns is critical to improving GEF's effectiveness and maximizing its impact.

15. ***Progress to date.*** The implementation of the streamlining agenda in GEF-8 provided early, important responses in this direction, culminating in simplified project templates and the development of policy measures by a working group composed of Council Members and GEF Secretariat. Notably, raising the ceiling of Medium-Sized Projects (MSPs) from USD 2 to USD 5 million provides easier access to financing, by effectively expanding the use of a one-step approval process. As the GEF Secretariat has been able to address some of the bottlenecks under its control, further progress on the side of Agencies in streamlining their own internal processes has the potential to significantly reduce preparation time. This comes in a context where the GEF Secretariat is responsible for a very small fraction of the time spent in the review and approval process (See Figure 1 with values as of March 2025).

Figure 1. PIF Submission to CEO Endorsement for GEF-7 and GEF-8 FSPs by contributor (months)



16. ***Actions.*** The GEF will continue to amplify its focus on simplifying and accelerating the project approval and disbursement process. Ambition and urgency is needed to make a meaningful impact in the face of urgent and escalating environmental challenges. By improving speed and efficiency, the GEF can better support countries in meeting their environmental goals. To this end, the GEF will strengthen the reform of its internal procedures to streamline project development and approval, while ensuring that Agencies also streamline their processes for faster approval and funding release. Taken together, the actions listed here and presented will facilitate prompt access to GEF finance:

a. Facilitate access to finance across funds with fewer modalities and a harmonized project cycle — To establish a more unified approach for accessing funding and accelerate project processing across all GEF-administered funds, the GEF will mainstream the use of a single modality for standalone projects and evolve approval processes, following key actions supporting quality and speed:

- *Establish an accelerated approval pathway.* Adapted from *and* building on lessons from the one-step approach introduced by the GBFF, this streamlined approval modality will introduce a simplified *Project Preparation Request* replacing the PIF,[7] enabling countries and Agencies to begin project preparation earlier. Analyses from the IEO indicate that the GBFF shift to a one-step approach did not compromise project quality. In fact, earlier emphasis on project preparation strengthens project design. Applying a similar project modality across all GEF-administered funds will facilitate multi-trust fund proposals (i.e. proposals drawing funding from more than one GEF family of funds' trust funds) by aligning project timelines and requirements. The benefits include simplified processing, unified policies and guidelines across all four funds, and improved accessibility, thereby reinforcing the GEF's country-driven model. Focusing on submission of a PPG/PFD request rather than a PIF is estimated to save 3-4 months in the early stage of the cycle. Further analyses of the GBFF will inform the establishment of a maximum lapse of time from PPG/PFD request approval to CEO endorsement submission, with flexibility in situations of fragility and conflict, as well as measures aimed to support timely first disbursements.
- *Refining approval routes for timely project advancement.* To further accelerate the approval process and consistent with the potential for rolling submissions of PPG and PFD requests, fully prepared projects up to US$5 million will continue to be endorsed by the CEO, while projects above US$5 million could be circulated to the Council for review and then approved either on a rolling basis on a non-objection basis outside of formal Council Meeting proceedings or through intersessional work programs. Implementing this approach will require amendments to several policies and guidelines, consultations with agencies, engagement with the Trustee, and adjustments to internal workflows and the GEF Portal, with associated costs. It will also entail changes to the preparation of the Work Program for each Council meeting.
- *Streamlined procedures for Enabling Activities.* Considering that Enabling Activities (EAs) are designed to prepare plans, strategies, or reports to meet Convention commitments, a specific, simplified procedure tailored for EAs will be

[7] Final formal term to be included in updated policies for Council approval. A Project Preparation Request may, but does not necessarily, include a request for Project Preparation Grant (PPG).

set. This would streamline the approval cycle and accelerate EA preparation by shifting from project-by-project reviews of minimum standards for each EA —such as gender equality, stakeholder engagement, and environmental and social safeguards—to relying on the institutional-level assessment of Agency minimum standards, conducted once per replenishment. Given that enabling activities focus on reporting obligations under the Conventions rather than on-the-ground implementation, this risk-based approach maintains policy assurances while reducing transaction costs and delays. Similarly, a more expedited approach for processing Letters of Endorsement (LoEs) could be considered, including no-objection mechanisms for EAs. For non-expedited EAs exceeding US$5 million, delegated authority allowing the CEO to approve on behalf of Council would be necessary. Additionally, plans to accelerate disbursements with Agencies are presented in 'action o' below.

b. Streamlining Agencies' internal processes — To accelerate project preparation, Agencies will be incentivized to streamline internal processes, reducing delays in reaching CEO Endorsement, which accounts for almost 80% of the timeline. Many Agencies apply the same approval pathways and cost structure to small GEF grants as they do for larger projects, while sequential approvals, baseline project dependencies, and late-stage grant negotiations add further delays. To address this, Agencies could simplify procedures for smaller grants, run internal approvals in parallel with CEO Endorsement, and start grant negotiations earlier. Bilateral exchanges on portfolio progress during GEF-8 with Agencies have allowed to identify such obstacles and outline solutions. This change will require greater collaboration between Agencies and the GEF Secretariat to ensure alignment with GEF priorities and standards. The GEF Secretariat could incentivize adoption, including through progress reporting, as well as adapt its requirements to Agencies' own internal modalities. Success depends on Agencies' scope to adapt, with supporting amendments to policy elements related to the project and program cycle, agency fee and cancellation. Risks include misalignment if approvals run in parallel, negotiation challenges, and reluctance to adjust broader portfolio frameworks, but streamlining is crucial to accelerating disbursement.

c. Better tracking early project ideas — Incorporating upstream project initiation in the GEF Portal to capture the first project idea discussions fills a data gap in the project cycle. Currently, the project cycle begins with the submission of a concept (PIF/PFD) by an implementing Agency, but this does not account for the earlier stages of project development. By allowing Operational Focal Points (OFPs) or Agency Coordinators to record when project discussions start, the GEF can gain a more comprehensive understanding of the project preparation timeline. This approach aligns with key objectives of the Country Engagement Strategy, including the use of National Dialogues to promote early, upstream engagement where technical staff review initial concepts and explore country priorities for the use of GEF financing. Introducing the optional step of tracking early project ideas may require updating the GEF Portal to facilitate this early step, expected to be formalized at the time of signing the Letter of Endorsement.

d. Introducing time standards for Agencies — To improve project timeliness and accountability, a maximum time standard will be established for Agencies to submit revised projects after receiving GEFSEC comments. The limit will be established in consultation with Agencies and reflecting good practice in other funds. Currently, while GEFSEC aims to review projects within 10 days, Agencies are not restricted in the time they take to conduct the necessary design, preparation and other actions before resubmitting, creating unpredictability and delaying implementation. Setting a clear and realistic submission timeframe, attuned to country conditions, will align Agency processes with the GEF's efficiency goals, enhancing pipeline predictability and accelerating fund disbursement. Compliance could be reinforced through periodic progress tracking and escalation procedures. While this change will improve efficiency, challenges include potential rushed resubmissions depending on the adopted timeline, difficulties for Agencies with more complex approval processes, and risks for projects in capacity-constrained countries. Ensuring a balance between timeliness and flexibility will be key to maintaining project quality and strong partnerships.

e. Harmonize Agency fees, commitment schedule and project management costs — To streamline processes and ensure level playing field, the GEF will take measures at different levels:

- Set Agency fees at a maximum 9 percent across all Agencies, down from 9.5 percent for GEF founding Agencies and those accredited during the first Agency expansion. This corrects the fact that, despite providing the same services, Agencies received different fees.
- Reviewing Agency fee structure and Project Management Costs (PMC) during GEF-9. The uniform Agency fee structure may not fully reflect variations in administrative costs due to differences in project size and context. GEF Agency fees are also slightly higher than those of most other multilateral environmental funds. Engagement with Council on these topics will be needed to identify potential changes to PMC and Agency fee tranching.
- Introducing policy changes clarifying the flexibility allowed for PMC — related to the executing entity — beyond the current 5 percent maximum applied for projects over US$2 million and 10 percent for smaller projects. Internal benchmarking shows GEF PMC levels are comparable to or slightly above other leading environmental funds, with Agencies nevertheless noting the current caps can be restrictive. They will also specify that the proportionality requirement between PMC funded by co-financing and GEF resources applies only to joint co-financing, allowing greater

flexibility in co-financing management. Implementing these changes requires amendments to the Agency Fee Policy and Project Cycle Policy, along with consultations with Agencies and the Trustee.

- Strengthening executing entity capacity will complement (action k) this policy enhancement, along with recent tightening of rules on dual implementation/execution (GEF/C.69/12).

f. Upgrade and align the GEF Information Technology systems for higher efficiency — To enhance efficiency across the project cycle and make current systems fit-for-purpose, the GEF Secretariat aims to upgrade the GEF Portal to better support the GEF Partnership through strengthened user-centric design, automation, facilitated access to data, flexibility and use of Artificial Intelligence. This action will not only rationalize internal workflows by allowing direct exchanges across the GEF, Agencies, Trustee and countries but also by increasing agility and transforming data into timely, actionable intelligence. Simultaneously, upgrading systems with a more intuitive and user-friendly interface will improve data entry, workflow visibility, and system performance, ensuring faster processing and scalability. Participants' support for this modernization initiative is important to secure Council approval for IT upgrades in the administrative budget.

Affordability and Scaled Finance

17. ***Context.*** Over the years, the GEF has remained almost exclusively a provider of grant resources, along with a blended finance window which is seen as underutilized by LDCs and SIDS. This, in turn limits access to concessional loans, guarantees, equity, as well as local currency products for these countries that need it the most. Developing countries, often the most vulnerable to environmental degradation, face significant barriers in accessing affordable financing due to high borrowing costs and limited creditworthiness, in some cases further compounded by institutional capacity constraints and the need to strengthen financial governance and accountability frameworks. Additionally, traditional public funding is insufficient to meet the scale of investment required for transformative environmental action. The GEF has increased the impact of its resources by leveraging significant co-financing. Yet, the quality and durability of co-financing has been questioned in a recent IEO evaluation (GEF/C.67/10) and in OPS8 findings. Meanwhile, the share of GEF investments implemented by MDBs stands at about a fifth of approval volumes in GEF-8, a share considered low by many GEF partners, considering MDBs' co-financing ability, policy influence, institutional expertise and leverage and co-finance potential. The GEF also surpassed its target of channeling 10 percent of GEF-8 financing through regional MDBs, including IFAD. Limited financial offerings hinder adapting grants, equity, and loans in full to diverse recipient needs and risk profiles, while a constrained risk ecosystem is yet to fully encourage innovation and careful risk-taking. These concerns align with assessments from the G20 Sustainable Finance Working Group (SFWG), which calls for maximizing concessional finance

impact, increasing adaptation finance, mobilizing private capital, and expanding flexible financial instruments. Reviews and guidance from the Rio Conventions echo these challenges, urging greater flexibility in co-financing and stronger engagement with financial institutions. COP30 guidance underscored the need to mobilize finance for climate and the environment in unprecedented ways, as well as to mainstream climate and the environment in finance, hereby making finance flows consistent with related global goals. MOPAN further emphasizes the need to streamline co-financing, strengthen the efficiency of GEF's model, and explore innovative financial mechanisms that can mobilize private capital.

18. ***Progress to date.*** The GEF is recognized as effective in deploying grants as its primary financing mechanism while effectively leveraging blended finance structures to expand available resources and attract private sector investments. It has exceeded co-financing targets, mobilizing additional funding from both public and private sources to enhance project impact. Predictable resource allocation through the STAR system has ensured transparency and efficiency in programming, while efforts to diversify financing options have led to an expanded use of non-grant instruments, such as equity, loans and risk mitigation instruments in frontier markets. Private sector engagement has been strengthened through blended finance and integrated programs, fostering greater collaboration and investment in environmental initiatives, and underpinned by the GEF's Private Sector Engagement Strategy. Additionally, the GEF has sustained financial support for Indigenous Peoples and local communities, empowering grassroots efforts in environmental sustainability. Moving forward, these achievements need to be further enhanced by aligning resource mobilization with the objectives of multilateral environmental agreements (MEAs) to drive long-term, transformative investments.

19. ***Actions.*** The environmental finance gap to meet global commitments calls for mobilizing substantial financial resources. The GEF is not just a source for finance; it needs to be a catalyst for wider environmental processes. This requires enhancing the GEF's ability to mobilize and channel more resources effectively. To achieve this, key actions include scaling up the use of innovative financial instruments, such as investments in blended finance structures. Additionally, targeted attention to co-financing will not only improve the quality, but also the impact of financing brought by external partners. These actions aim to increase the catalytic impact of GEF funding while ensuring equitable access for the most vulnerable countries. Considerations to enhance financing to cities and sub-national governments are also being explored. Key actions include:

g. A compact of actions to mainstreaming blended finance and increase private capital mobilization, efficiency and reach — Increasing the use of blended finance with a focus on expanding private sector contributions to environmental results requires transformative policy measures that enable stepwise change:

Scale and Scope

- To streamline blended finance beyond the current Blended Finance Global Program (NGI window), countries will be encouraged to use an incentive mechanism available in this window to leverage their Focal Area (FA) and non-FA allocations. Blended finance projects can also be funded by multiple financing windows in conjunction. This includes resources from focal and non-focal area allocations, as well as across the family of funds, thereby facilitating multi-trust fund (MTF) arrangements.
- While encouraging greater private capital mobilization, mainstreaming blended finance across different funding sources and reflow treatment also introduces complexities related to compliance, financial management and confidentiality. To address this, the GEF will clarify rules for what information will be kept confidential, who can access it, and reflect these rules through targeted updates to its Access to Information policy. In addition, GEF-9 will require amending the NGI, and Project and Program Cycle policies, as well as Minimum Fiduciary Standards and Environmental and Social Safeguards to address the specific requirements of blended finance related to compliance, financial management and confidentiality.
- The GEF Secretariat will conduct a mid-term assessment of the programming of the Blended Finance Global Program and utilization of its incentive mechanism, to allow for early identification of underutilization and develop measures to ensure timely programming.
- Removing the cap for blended finance investments will allow for the submission of investment proposals above US$15 million, meeting more of the demand for larger scale investments.
- Aiming for a minimum of 25 percent of GEF resources channeled through MDBs will support the implementation of blended finance projects by MDBs who have experience in managing such financial products (action r).
- Undertaking a comprehensive overhaul of the Co-Financing Policy to increase Private Capital Mobilization (PCM), with a particular focus on blended finance projects. The updated Policy will clarify definitions and measurement of PCM, consistent with approaches adopted by MDBs and International Financial Institutions (IFIs), simplify evidence requirements for market-facing transactions, and reinforce the role of Joint and Parallel co-financing to attract institutional and commercial investors. Guidance will be issued to standardize documentation, track mobilization results, and align fiduciary and disclosure requirements with private sector (action h.).

Simplification

- Introducing a unified, accelerated project approval process (action a.) will allow to align project processing requirements across multiple funding sources, making blended finance a part of the broader shift to a one-step project cycle and aligning with recipient country priorities.
- Eliminating the reliance on calls for proposals will fully integrate blended finance projects into the regular project cycle.
- For multi-country programmatic approaches—such as establishing a financing facility, the GEF will translate in policy the existing Concurrence Mechanism, which authorizes the GEF CEO to concur on each distinct project within a facility or program. CEO concurrence on distinct projects will be exercised following a process that confirms relevant components at project and country level, thereby ensuring both central oversight and country ownership while preserving flexibility in the choice of executing partners (see related action under *Country access* below). This Concurrence Mechanism, set out in the GEF Project and Program Cycle Guidelines, has been in place since GEF-5 to enable adaptive management in private-sector projects while maintaining oversight of overall program progress. Implementing risk-based approaches to project approvals would fast-track the approval process for lower risk NGI and private sector investments (action n.).

Catalytic role

- Establishing and supporting country platforms will strengthen the enabling environment for blended finance by fostering coordination among stakeholders, aligning public and private resources, and streamlining project preparation (action q.). These platforms provide a structured mechanism for identifying, prioritizing, and de-risking investments, thereby enhancing the scale and impact of GEF-financed blended finance. Country platforms strengthen national ownership and facilitate investment endorsement, acting as a powerful market signal and crowding-in additional finance.
- Overhauling the GEF approach to co-financing will strengthen blended finance by improving tracking, focusing on strategically relevant investment opportunities, and aligning incentives to attract additional private and public capital, thereby increasing the scale and impact of GEF-financed blended investments (action h.). In particular, efforts will be put in ensuring private capital mobilization is tracked in a manner consistent with approaches adopted by MDBs and IFIs.

Country access

- Dedicated outreach and targeted technical assistance provided through the Country Engagement Strategy will aim to incentivize access for countries facing barriers and with limited experience in using blended finance, such as LDCs and SIDS, with further analysis to assess potential impacts and inform future adjustments.

- In line with NGI, GEF-9 will apply the minimum concessionality principle and remain open to innovative structures such as outcomes-based bonds, guarantees, equity, and debt-for-nature restructurings, while taking into account country debt sustainability considerations.
- The GEF will consider options for streamlined approaches facilitating country endorsement in blended finance projects financed by STAR or non-STAR focal area allocations or financed by the Blended Finance Global Program where recipients of financing are public sector entities. Following the experience observed in other funds, in these cases the GEF will consider the introduction of a no-objection approach on the side of Operational Focal Points for blended finance projects taking place in countries or other solutions that would continue to uphold country ownership.
- Identifying new Agencies under the streamlined approach that have strong blended finance experience (action o.).

Flexibility

- Facilitating flexibility in project-based cash withdrawals should be tailored to the financial product as specified in each project term sheet. The term sheet would set out the disbursement conditions and define the project financial terms and conditions, including the parties' financial responsibilities. —Project based cash withdrawals would allow financial products such as funded guarantees, liquidity facilities, or contingent instruments for outcome-based bonds to access upfront financing. It would allow departing from the reliance on the standard bi-annual cash transfer requests that Agencies submit to the Trustee, which currently aggregate and consolidate required GEF funding. While current Financial Procedures Agreements (FPAs) permit project-level flexibility, the GEF Secretariat will work with the Trustee to determine any need to amend the FPAs to provide a more comprehensive framework as NGI use expands and to streamline processes.
- Recognizing the distinct operational requirements of market-facing NGI investments, the GEF Council authorized, on an exceptional basis, the dual role of Implementing and Executing Agency (GEF/C.69/12). During GEF-9, consideration will be put toward extending this practice to blended finance investments outside of the NGI window.

h. Enhancing co-financing transparency and effectiveness —A fundamental overhaul to the GEF Co-Financing Policy aims to drive stronger leverage by clearly distinguishing among joint, parallel, and coordinated co-financing, thereby improving consistency in measurement and reporting. This approach will more accurately capture and credit joint co-financing that directly contributes to project results, with an emphasis on early mobilization and ongoing reporting throughout project implementation. Reflecting recommendations from the IEO evaluation (GEF/E/C.67/01), the update will better recognize the long-term leveraging of resources beyond project and program budgets, enhancing transparency and strengthening strategic partnerships across sectors. It will also align further with the practice observed in MDBs and multilateral environmental funds. Key policy changes would include:

- introducing clear co-financing categories— *joint financing* (i.e. grounded on an agreement enabling coordination on project implementation), *parallel financing* (i.e. complementary contribution to the broader project objective, but managed independently), and *coordinated initiatives* (i.e. broader sector investments);
- distinguishing clearly between co-financing from public and private sources, including public co-financing from Official Development Assistance (bilateral and Agency), Domestic Resource Mobilization, and co-financing from private sources.
- placing a specific emphasis on Private Capital Mobilization (PCM), relying on agreed methodologies used by MDBs as a way to strengthen co-financing and investments leveraged from the private sector;
- refining requirements toward staged confirmation of evidence, aligning results attribution with the direct contribution of financing, and expanding focus on private sector mobilization through blended finance;
- ensuring that only *joint financing* counts toward the project's formal co-financing ratio and contributes to expected results, in overall consistency with the approach used at the CIF and GCF;
- enhancing the monitoring of in-kind co-financing;
- no longer relying on proportionality rules for Project Management Costs to ensure fairness.
- designing a phased implementation plan including adjustments to the Co-financing policy and guidelines, followed by updates to project templates and the GEF Portal.

Agile and Effective Implementation

20. ***Context.*** The GEF faces growing pressure to enhance its adaptability and effectiveness amid heightened expectations for impact. Agencies and countries cite delays in project execution, perceived rigid operational frameworks, and limited responsiveness to evolving recipient needs, with cost-efficiency flagged as a concern (MOPAN). These challenges can be particularly acute in fragile and conflict-affected situations (IEO). Procedural bottlenecks slow fund disbursement, while weak monitoring and reporting systems hinder transparency, agility, and real-time tracking.

MOPAN, the G20 and IEO also highlight fragmented and insufficient capacity-building for executing entities, further delaying implementation. In response, stakeholders, including MOPAN, call for leveraging ICT (e.g., the GEF Portal) to enhance reporting, strengthening governance to support capacity-building, and improving mechanisms to replicate successful innovations. The G20 recommends expanding differentiated project modalities based on size and risk rating to improve efficiency and fostering early, meaningful engagement with Indigenous Peoples, local communities, and regional MDBs to strengthen project origination. Addressing these challenges is key to making GEF financing more agile, transparent, and impactful.

21. ***Progress to date.*** Efforts to improve the timeliness of disbursements and related monitoring are leading to sustained efficiency in execution, with ongoing policy revisions aimed at further acceleration. Incentives are being introduced to expedite first disbursements by heightening the focus on project readiness, ensuring swift fund availability for project initiation. The introduction of the Proactivity Index in the GEF-8 Results Measurement Framework and related tracking of project amendments allows to gauge adaptive management during implementation. Related to this, the GEF Risk Appetite also allows to assess progress in implementing mitigation measures during implementation. This is supported by regular touchpoints and annual bilateral exchanges on portfolio progress with Agencies initiated in GEF-8. Strengthening national execution, including execution by CSOs, and ownership remains a priority, with a focus on building local capacity for effective project delivery, notably through Implementing Agency support. This is why exceptions to the dual role of implementing and executing Agency roles have been clarified. Looking ahead, enhancing support for local systems will be essential to equipping national stakeholders with the tools needed for sustainable project management.

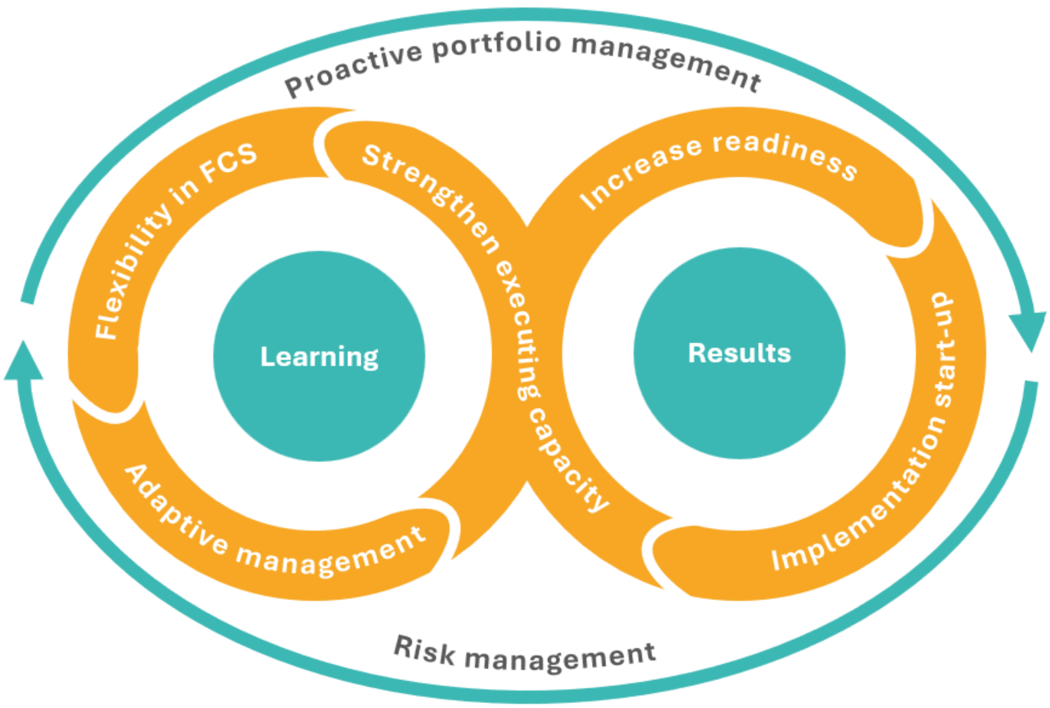
22. ***Actions.*** Adapting to changing circumstances and being continuously more effective on the ground are not merely operational goals; they are fundamental to driving transformative environmental outcomes in an increasingly complex and dynamic global landscape. The GEF must focus on enhancing the flexibility and responsiveness in the operations it finances. This includes allowing for quicker course correction and greater agility in adapting to the evolving needs of recipient countries. Strengthening monitoring and supervision mechanisms within the Mid-Term Review milestone will be critical to ensure timely identification of issues, enabling rapid corrective action. This could for example lead to re-allocate unused resources. Additionally, developing tailored support strategies for projects in fragile and conflict-affected situations will be vital to ensure that their unique challenges are met with appropriate and targeted interventions; in instances where no project preparation and implementation support can be provided due to security reasons or operational challenges, re-allocation of resources should be enabled. Lastly, adopting a more proactive and risk-based approach to portfolio management will allow for a more dynamic allocation of resources, ensuring that projects can respond effectively to emerging needs and opportunities while maintaining cost-efficiency. Figure 2 presents how these elements are interconnected. Key actions would be:

i. Increase project readiness — Strengthening the requirements and assessment of project implementation arrangements during preparation, prior to CEO Endorsement/Approval, is vital to minimize start-up delays and ensure a smooth transition into implementation. It is essential not only to identify the designated executing entity and assess its capacity before endorsement, but also to have the project governance structure and disbursement schedule fully established, not just planned. Key pillars of the institutional arrangements that must be clearly described include: the flow of funds, ideally shown in a diagram illustrating resource movement from GEF to implementing partners; clear accountabilities for project management and financial reporting, outlined in an organogram specifying roles and audit responsibilities; and detailed staffing plans demonstrating capacity for timely execution. Additional components may include risk management, communication protocols, and monitoring systems. Ensuring these elements are in place before endorsement builds a strong foundation for prompt project start-up and reduces delays caused by unclear roles, funding bottlenecks, or capacity gaps. This will require amendments to the Project Cycle Policy and Guidelines. Challenges include balancing the need for a reasonable timeline to accelerate startup without compromising quality and ensuring that new requirements are effective.

j. Accelerating the implementation start of pending projects — Ensuring timely project implementation is critical to maximizing the impact of GEF resources and ensuring continuous relevance with country priorities. To address the residual number of persistent delays observed in reaching first disbursement—24 projects had yet to start implementation 30 months after CEO endorsement as of the end of fiscal 2024—, stricter timelines to promote prompt fund utilization and prevent projects from remaining inactive after CEO Endorsement could be introduced. **Projects that fail to disburse within eighteen months would receive a cancellation notice, with formal cancellation at 30 months if no progress is made.** This would apply to both the ongoing portfolio and future programming. To maintain implementation prospects, GEF policy allows for project transfers to another Agency and resubmissions within one year of actual cancellation, alongside with the possibility of reallocating funds. This builds on the operating processes of the GBFF and similar measure at the GCF. It is supported by the tranching of Agency fees linked to implementation progress. Amendments to the Project Cycle Policy and operational guidelines will be required, with consultations to assess feasibility and potential challenges. Enhanced monitoring and early interventions will help mitigate unintended disruptions.

k. Strengthening executing entity capacity for faster implementation — Building the capacity of executing agencies, particularly national entities and/or CSOs, is essential for accelerating project implementation and improving overall effectiveness. This is already expected to take place through Agency fee provisions for capacity building, but remains inconsistent and resource-limited. Ensuring that capacity assessments are undertaken and project design addresses capacity building when relevant will strengthen the skills and systems needed for efficient fund management by executing entities. This effort will align with the Country Engagement Strategy (CES).

Figure 2. Adaptive Cycle: Project and Portfolio Management



1. Formalizing portfolio review for stronger oversight — Enhancing GEF portfolio effectiveness and efficiency requires structured and routine portfolio review meetings with countries and Agencies to ensure timely identification of implementation challenges, risks, and delays. While such bilateral meetings on portfolio progress with Agencies have been held annually since the beginning of GEF-8, their lack of grounding in a formal policy requirement limits their consistency and impact. The GEF will instead establish clear requirements on meeting frequency, participation, and agenda, while also strengthening proactive engagement through selectively joining ad hoc learning and project mid-term review missions, where these add distinct value. Investments in digital tools—such as interactive dashboards and enhanced GEF Portal functionalities—will be made to further streamline performance tracking, with a dedicated report on project outliers acting as an early warning system to be made available to Agencies. This report is already in place for GEF Secretariat's internal use and complements bilateral exchanges as well as disaggregated reporting by Agency in the Monitoring Report. Minor revisions to the Monitoring Policy are required, alongside consultations with Agencies to ensure alignment. Careful coordination of efforts will minimize duplication and enhance portfolio oversight.

m. Enhance flexibility and incentives for projects in FCS — To improve the relevance, effectiveness, and sustainability of projects in Fragile and Conflict-Affected Situations (FCS), the GEF will increase flexibility and incentives, such as extended project timelines, budget flexibility, engagement with the civil society, and adapting the Letter of Endorsement (LoE) requirements to the realities of FCS settings. The challenges of implementing conflict-sensitive approaches in FCS settings often require more time and resources. Thus, allowing flexibility in the project cycle—based on conflict assessments and adaptive management—would enhance project design, implementation, and monitoring. Specifically, risk assessments would focus on institutional mechanisms. The GEF Secretariat, Agencies and countries would also continue review the need to suspend or cancel projects. In addition, allowing increased PMC and higher thresholds for PPG and M&E specifically for FCS contexts can support these efforts. FCS-relevant and dedicated capacity building for executing entities could be allowed, provided executing entities demonstrate early effectiveness and operational integrity. The reliance on local entities to execute projects could expand operational flexibility. In addition, when significant changes in an implementing country—such as security challenges—impede planned implementation, support could be redirected to other projects or programmes through a mid-cycle assessment, rather than waiting until the final six months of the cycle. While the proposed measures address crucial needs, risks include the inability to guarantee outcomes and potential safety concerns in high-risk areas.

n. Risk-based approach to fast-tracking project management — Introducing risk-based elements to accelerate project timelines would support more proactive portfolio oversight. Currently, all projects undergo the same review process, regardless of risk level, leading to delays for low-risk projects. A more tailored approach would fast-track low- to moderate-risk projects through simplified documentation, expedited reviews, and fewer approval steps. This would allow complex, high-risk projects to receive the necessary scrutiny while reducing bottlenecks for simpler initiatives. While this system may increase efficiency, challenges include the risk of misclassifying projects and weakened oversight.

Augmented Access and Empowered Countries

23. ***Context.*** Access to finance and enhanced institutional country governance are essential for a whole-of-government, whole-of-society approach, but challenges persist. The G20's SFWG highlighted that accessing funding is difficult for beneficiary countries, especially in LDCs and SIDS. A smaller pool of GEF Agencies and slow implementation support provided through Enabling Activities impede progress, as does the absence of a harmonized accreditation process across funds. Guidance from global environmental conventions stressed the need for stronger country ownership, faster access to resources from Enabling Activities and importance of working

with Agencies with experience with Indigenous Peoples and local communities (IPLCs), women and youth. Differences between GEF requirements and MDB procedures increase transaction costs. Additionally, Indigenous Peoples, local communities, women, and youth face barriers to funding. Strengthening national investment platforms and developing country investment plans are crucial for improving coordination.

24. The G20 SFWG highlighted the importance of supporting country-driven strategies over individual projects to overcome the fragmentation and inefficiencies in current climate funding mechanisms. Discussions at COP29 around the Global Financial Architecture Reform emphasized the urgent need to develop pipelines of green investments grounded on country leadership. This will build on successful examples that integrate environmental funds into cohesive country platforms to ensure that financing mechanisms are efficient, scalable, and aligned with national priorities, offering a roadmap for other countries. The Center for Global Development and others highlighted the need to provide grants to support countries in building integrated investments and country platforms. Meanwhile, MOPAN pointed out that weak coordination between ministries hinders effective implementation.

25. ***Progress to date.*** Direct, demand-driven support for capacity building, programming, and participation in governance, which strengthens country ownership and engagement, ensures that countries drive their own priorities. By fostering whole-of-government and whole-of-society approaches, the GEF promotes cross-sector coordination and ensures that environmental priorities are integrated across national efforts. In this regard, the implementation of Integrated Programs has highlighted the primacy of these approaches to making environmental progress. Continued monitoring of the GEF Partnership helps maintain strong, effective collaborations, while enhanced support for Indigenous Peoples and local communities, women and youth ensures that these groups are actively involved and their rights are protected. In particular, the GEF Small Grants Program (SGP), that provides grants to local CSOs, IPLCs, women and youth-led organizations; and the GEF-financed Inclusive Conservation Initiative (ICI) that works in partnership with Indigenous Peoples and local communities in their continuing efforts to safeguard natural ecosystems, recognizing the historical roles they have played in nature conservation. Within the GEF family of funds, different modalities have been successfully implemented to support the LDCs and SIDS. In particular, the LDCF is a fund dedicated to supporting adaptation priorities of the 44 LDCs and is a major source of GEF support for LDCs. In the GEF-8 period, more than 90 percent of the LDCs received more grant support from the LDCF than from their combined STAR allocations. The SIDS also have a dedicated window in the SCCF, which enables them to have predictable support to address their priorities. Additionally, the growing role of OFPs in convening stakeholders and integrating environmental priorities across government enhances coordination and ensures that GEF-supported initiatives align with broader national development goals. Indeed, the GEF has engaged with Country Platforms in different countries as an effective way to mainstream

environment objectives under a whole-of-government country-owned approach. These efforts together create a cohesive, inclusive, and sustainable approach to environmental governance.

26. ***Actions.*** As the world's leading international institution dedicated to investing in the joint management, care, and restoration of the planet, the GEF will strengthen accessibility to its funding and enable countries to mobilize further financing. It will focus on expanding the cohort of implementing Agencies and specific modalities for specific instances, enhancing support for country platforms and national steering committees, and improving collaboration across national institutions. This will involve identifying appropriate accreditation mechanisms, scaling up capacity-building initiatives and deepening country engagement further. Additionally, the potential actions will explore mechanisms to better align GEF financing with national priorities. These efforts aim to further empower countries to take ownership of their environmental agendas while ensuring equitable and rapid access to GEF resources. The potential actions include:

o. Expanding Agency cohort through open, cross-fund and targeted accreditation — Opening the Partnership to a select few new Agencies will enhance the GEF's ability to expand strategically based on regional priorities and thematic expertise. Currently, the lack of a mechanism to work through entities other than GEF Agencies limits the Partnership's reach, particularly in underrepresented geographies such as SIDS and LDCs and specialized areas like Enabling Activities. In selecting new agencies, priority will be given to those with a demonstrated track record of financing such countries, as well as CSOs, IPLC organizationsand the private sector. Policy actions are expected to include:
   - A cross-fund fast-track accreditation process to add up to three new Agencies already accredited by the GCF or AF. This would improve access to GEF resources and strengthen complementarity across environmental funds, while reducing review time, minimizing duplication, and lowering application burdens. Currently, entities seeking accreditation must navigate separate, resource-intensive processes. By establishing a streamlined approach underpinned by clear, needs-based criteria, the GEF can reduce duplication and delays while ensuring adherence to GEF fiduciary, ESS and other minimum standards. The development of a gap analysis comparing accreditation standards and policies across the GCF, AF, and GEF is now at an advanced stage. Early findings indicate that there is substantial alignment between GEF accreditation requirements and those of the GCF and AF in fiduciary, gender equality, and ESS policies.
   - Alternative mechanisms are being explored to facilitate the disbursement of Enabling Activities to countries. This could involve identifying one or more Agencies willing to simplify country access to such resources, subject to their respective policies and procedures, as a complement to related streamlining measures presented under Action a. Similar arrangements could be made for private

sector entities, building on GCF's pilot. Any such approach would continue to rely on existing funds transfer arrangements, which are governed exclusively by dedicated Financial Procedures Agreements among the Trustee and the Agencies.

p. Ensuring financing and policy responsiveness to IPLCs, women and youth — To empower Indigenous Peoples and local communities (IPLCs), as well as women and youth, the GEF will advance innovative ways that combine dedicated funding with measures to strengthen the enabling environment:

- The GEF Secretariat will update the 2012 *Principles and Guidelines for Engagement with Indigenous Peoples*, to align with international commitments and reaffirming IPLCs as essential partners in achieving lasting global environmental benefits.
- On programming and financing, GEF-9 will operationalize proven implementation mechanisms, drawing on lessons from the IPLC Conservation Initiative (ICI), the Small Grants Program (SGP) and GBFF, which position IPLCs as primary leaders and decision-makers. It will also build on the learning from projects supporting IPLCs' efforts in eliminating harmful chemicals. Across the portfolio, the GEF will support activities and self-determined priorities of IPLCs.
- In recognition of the specific needs of IPLCs and to expand access to finance, the GEF will consider piloting a streamlined approach to confirming country support for IPLC-led projects, such as through a no-objection process. Such process change would unlock more equitable access, increase flexibility tailored to IPLC governance structures, and strengthen genuine ownership and accountability for environmental outcomes.
- The Corporate Scorecard will provide portfolio-level data on support for IPLCs initiatives, strengthening the GEF's ability to demonstrate how financing for IPLCs translates into results at country level and across conventions served.
- Under the GEF-9 Results Management Framework (RMF), results from each people-centered indicator will be disaggregated by IPLCs, women and youth, allowing for an unprecedented level of visibility into these key demographic groups, inclusive outcomes, and allowing for targeted course-correction during implementation.

q. Promoting Country Platforms to boost private and public investments — In an effort to strengthen the strategic engagement of countries with Multilateral Development Banks (MDBs), environmental funds, and other key financiers, the GEF will support country platforms—country-driven coordinated mechanisms grounded on national demand for collaboration and investment—as a family of funds. Provisions under the Country Engagement Strategy and STAR resources will support the establishment of new country-led mechanisms and allow to share the costs of those already in place. This would help engage with the key players who are part of Country Platforms, such as MDBs and the private sector, as well as other environmental funds for enhanced coherence. Importantly, it would also enable whole-of-government-owned policy reforms and large-scale financing from multiple actors across society (CSOs, IPLCs, women, youth). In practice, this means increasing opportunities for co-financing and joint collaboration across climate funds and MDBs with GEF financing in support of country commitments. With this, the GEF family of funds would become in a position to further support the implementation of key national priorities, develop pipelines, provide capacity strengthening, facilitate policy dialogue and catalyze financing at scale. This Country Platform approach would only be used if the country so requests and conditions permit.It requires careful design to ensure equity, transparency, and minimal administrative burden on participating countries, particularly those in LDCs, SIDS, and fragile contexts. It also requires ensuring consistency with and recognizing the leadership of OFPs and National Steering Committees.

r. Ensuring an active and diverse GEF Partnership — To ensure a more active and accountable partnership, the GEF will introduce a measure where Agencies must account for no more than a maximum share of 25 percent of the overall GEF portfolio. This replaces the current notional ceiling of 30 percent per Agency in the GEF portfolio and stays at a level that offers a sufficient level of choice to countries in terms of Agencies.[8] A formula to operationalize the gap will be developed, applying the 25 percent ceiling on a cumulative basis to preserve flexibility and country choice. The cap covers all project modalities, including enabling activities.[9] Managing this ceiling will require proactive monitoring of the pipeline (action c.), supported by automated tracking and alerts and needing more active engagement with Agencies and countries as the ceiling may be at risk of being breached. In turn, if the ceiling is breached, measures will include temporarily freezing new approvals for this Agency, conditional approval until other Agencies' portfolios grow or portfolio rebalancing via project transfer from one Agency to another. While this policy action aims to drive active participation, it also acknowledges the risks of Agencies focusing on volume over quality, as well as the potential of reducing the choice of Agencies in countries. As a complement to this, a notional minimum target level of approvals of 25 percent for MDBs would be applied, up from the observed rate of 18.8 percent as of June 2025 in GEF programming. This focus aligns with GEF-9 policy actions to scale finance, including greater joint co-

[8] In its *Assessment of Ceiling Options for Agency Share in GEF Resources* (GEF/E/C.70/Inf.03), the IEO examined optimal caps on Agency shares. The analysis finds that, relative to the GEF-8 baseline, a 25 percent cap achieves a meaningful reduction in concentration while affecting a relatively small number of countries and projects. However, as the cap is lowered from 25 to 15 percent, more countries and projects are affected, even though concentration still declines.

[9] Enabling activities represent a very small portion of overall financing, removing them from the cap would have only a minimal impact on agency portfolio totals.

financing and mainstreaming blended finance, given MDBs' role as active public investors with a proven record of mobilizing private actors. It also builds on the 10 percent minimum target for Regional MDBs and IFAD in GEF-8, which currently stands at 8.6 percent, and is consistent with the GBFF's target of channeling 25 percent of its resources through MDBs.

s. Promoting National Steering Committees — The GEF aims to move to a whole-of-society approach through GEF-9, starting with more cross-ministerial work to enhance impact, implemented and incentivized through the Country Engagement Strategy. Political and Operational Focal Points would increasingly lead coordination and policy coherence through National Steering Committees (NSCs), facilitating consultation, information sharing, and coherent decision-making. The GEF proposes transitioning to GEF National Steering Committees (NSCs) that include main line ministries, established at the beginning of each GEF Cycle through the National Dialogue exercise, with the involvement of convention focal points and negotiators. By bringing all relevant ministries — including those working with civil society, Indigenous Peoples, and local communities — around the same table, National Steering Committees will not only promote a whole-of-government approach and policy coherence, but also foster a more whole-of-society approach. NSCs could include national focal points from other environmental funds for harmonization and complementarity. Establishing NSCs also advances the GEF's goal of strengthening country systems, helping to mitigate the OFP turnover observed in some countries and further involving Political Focal Points. In practice, the Country Engagement Strategy will promote the establishment of NSCs. As with Country Platforms, they would be established and implemented only at the request of countries. Guidelines for OFPs to establish NSCs need development, and the project cycle policy updated. Further engagement with countries is needed to weigh pros and cons of this shift, including around cost-efficiency and need for incentives to support prompt set-up of NSCs in first few countries. Consultations with GEF Agencies in countries already implementing this modality will provide lessons learned.

t. Enhancing OFP capacity and supporting engagement in projects — Building on GEF-8 progress, the GEF would enhance the capacity of OFPs by providing dedicated capacity-building and technical assistance. This may include training, resources, financial support for national coordination, international event participation, and opportunities for exchanges across countries. Many OFPs lack resources and capacity, relying on GEF Agencies for information, and frequent turnover hampers continuity in their domestic role as country coordinator of GEF project financing, among other responsibilities. The GEF-9 proposal through the Country Engagement Strategy would continue support countries through key activities, while emphasizing the importance of retaining OFPs and teams for a sufficient period to ensure continuity of well-capacitated and experienced staff. This support may enable OFPs to join supervision missions, organize field visits, and contribute to project performance reports. Building on the GEF-8 experience, access to such resources will remain contingent on submitting a clear justification of needs using the dedicated template, subject to GEF Secretariat review. GEF Agencies will collaborate with OFPs to identify oversight touchpoints, ensuring active and meaningful engagement. Limits to this approach may lie in the lack of continuity and active participation of OFPs. There will be a focus on strategic communication at the project level, in recognition of the important role this plays in both focusing attention and publicizing effective approaches for further development, replication and scaling-up. Ensuring that the full breadth and impact of GEF-funded activities will be visible and understood is critically important to delivering on an ambitious GEF-9 Replenishment.

Appropriate Architecture and Representation

27. ***Context.*** As the GEF evolves to address complex global challenges, there is recognition of the need for a robust and inclusive governance structure. Some of the guidance from recent COPs have called on the GEF to look closer at governance structures, such as differentiation in Council arrangements across the GEF family. Countries with no or limited representation in the GEF Trust Fund governance may not see a clear path to influence, potentially limiting resources and participation.

28. ***Progress to date.*** The Global Environment Facility (GEF) has undertaken significant efforts to enhance its governance, particularly with the establishment of the Global Biodiversity Framework Fund (GBFF) with its own additional governing arrangements, consistent with the GEF Instrument and its 2024 amendment, during the GEF-8 period. This led to the establishment of an Advisory Group and Auxiliary Body allowing for broader representation of experts and stakeholders who are key to conservation progress, such as women, Indigenous Peoples and local communities, and the private sector. The experiences with these advisory bodies and views of Parties to conventions could provide insights for the GEF overall. Separately, in 2022, the ad-hoc Working Group established to address findings from the Sixth Comprehensive Evaluation of the GEF (OPS6) made advances in ensuring an effective co-chairing arrangement at Council. This group was tasked with reviewing governance aspects related to the efficiency of decision-making, accountability, and transparency in programming decisions. They also examined the roles and interactions between the GEF Assembly, Council, Secretariat, and Agencies. Moreover, the GEF Council at its June 2025 endorsed a realignment of constituencies identified as needed by some of its Members. These efforts reflect GEF's commitment to improving efficiency, accountability, and transparency within its governance framework, while upholding ongoing governance mechanisms.

29. ***Actions.*** The GEF's governance structure could evolve beyond ensuring effective procedural functions to foster enhanced environmental stewardship. This would require pursuing

concrete actions to strengthen the GEF's governance architecture and oversight mechanisms, while carefully weighing the implications of evolving current arrangements. Options to explore could include assessing whether arrangements established for other more recent facilities could provide useful lessons for enhancing participation across the GEF family of funds. Consistent with guidance from COPs, the GEF is also engaged in efforts to broaden the donor base through the ongoing Replenishment process. Considerations on the role and representation of non-sovereign entities in the GEF Partnership, as well as their contribution to resource mobilization, are expected to be important topics for future deliberation, in a context where contributions remain limited to sovereign donors.

u. Advancing governance through the establishment of a dedicated working group — At the first Replenishment Meeting, Participants confirmed that the evolution of the GEF governance should be explored directly by the GEF Council, including any implication for the GEF Instrument. This would be achieved through the establishment of a time-bound Working Group of Council, with terms of reference to include deliverables, milestones and a timeline to begin at the start of GEF-9. In addition, the Secretariat confirmed its availability to support this work, including by investigating the practicality, cost-efficiency and value of reform areas. In the context of the Replenishment, Participants could therefore invite Council Members to consider appropriate steps toward developing a process for reform beginning in GEF-9.

II. SYSTEM FOR TRANSPARENT ALLOCATION OF RESOURCES

Introduction

30. Both the GEF-9 Programming and Policy Directions set ambitious goals and call for accelerated actions towards global environmental benefits. These closely align with ambitious, explicit mandates laid out in recent international agreements, including the outcome document of the Fourth International Conference on Financing for Development (FFD4), [10] Target 19 of the KMGBF[11] which aims to mobilize $200 billion per year for biodiversity, and UNFCCC COP-29 agreed under the New collective Quantified Goal (NCQG) on climate finance which aims to triple finance to at least $1.3 trillion per year by 2035.[12] These mandates position the GEF at the core of global efforts to scale up environmental finance, calling for significant increases in funding, strategic shifts in operations, stronger coordination, and a reinforced focus on vulnerability. Within this framework, the System for Transparent Allocation of Resources (STAR) continues to serve as the GEF's core grant allocation mechanism across three of its focal areas—Biodiversity, Climate Change, and Land Degradation.

31. For GEF-9, STAR offers multiple design opportunities to enhance equity, effectiveness, and impact in delivering global environmental benefits. To this end, preliminary options for the GEF-9 STAR model were introduced at the first GEF-9 replenishment meeting along the following five dimensions[13]:

(i) Prioritize key environmental challenges

(ii) Strengthen support for countries with special needs

(iii) Integrate policy considerations

(iv) Improve efficiency

(v) Maintain full flexibility

32. The second GEF-9 Replenishment meeting conducted a deeper investigation into each of these five dimensions in terms of critical methodological advancements and options. Discussions surrounding the STAR proposal presented at the Second Replenishment meeting, and subsequent written comments, reflect a diversity of priorities and perspectives. Replenishment participants have welcomed and expressed broad support for the ongoing development of the GEF-9 STAR

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[10] UN FFD4, *Outcome document of the Fourth International Conference on Financing for Development, June 16, 2025.*

[11] https://www.cbd.int/gbf/targets/19

[12] GEF/R.9/08, GEF-9 Strategic Positioning, October 7-9, 2025.

[13] GEF/R.9/06, *First Meeting for the Ninth Replenishment of the GEF Trust Fund*, May 20–21, 2025.

and for the direction of the proposal. Many have emphasized the importance of increasing resources for SIDS and LDCs. Participants have agreed that the STAR model should continue to maximize Global Environmental Benefits (GEBs), whilst simultaneously ensuring adequate support for SIDS and LDCs, and acknowledging that achieving the right balance between these priorities will be essential to safeguard the GEF's overarching mandate. Participants broadly supported the proposed methodological refinements on the Global Benefit Indices for Biodiversity, Land Degradation and Climate Change, as well as maintaining full flexibility in GEF-9. Most participants endorsed the inclusion of Disbursement Index as an incentive of improving efficiency, while some raised concerns about its potential impact on countries with lower capacities. The proposed mid-term review on STAR was endorsed by participants to further strengthen efficiency. Many also supported expanding the competitive window at 12 percent of the allocations of the top 10 non-SIDS/LDCs countries, with a potential thematic emphasis on blended finance and country platforms.

33. Building on both Participants' feedback and current international dialogues, this paper presents concrete recommendations for four of the five dimensions in the construction of the GEF-9 STAR Model (it was agreed in the last meeting that the introduction of a policy coherence index into the formula was not deemed to be feasible).[14] In parallel, the Secretariat has been conducting routine data updates and enhancements across the existing indices of the STAR Model. Together, all of these advancements now enable the presentation of preliminary STAR simulations across selected financing scenarios[15] for key country groups. Final parameter decisions will be presented in the GEF-9 STAR Policy Paper to the 71st Council, and the GEF-9 country allocations will be released on 1 July 2026 as per usual practice.

Enhancing methodologies on Global Benefits Indices to address key environmental priorities

34. In the ongoing effort to tackle the major drivers of environmental degradation to achieve systems change, and better reflect the potential global environmental benefits of a country, key enhancements considered under GEF-9 include methodological and data refinements to the Global Benefit Indices (GBIs) for (i) Biodiversity, (ii) Land Degradation, and (iii) Climate Change.[16]

Global Benefits Index for Biodiversity

35. The Global Benefits Index for Biodiversity (GBI_{BD}), originally developed in 2005, has been refined through successive GEF funding cycles in collaboration with expert partners such as

[14] GEF.R.9.09, *Draft Policy Direction for GEF-9*, October 8-9, 2025.
[15] GEF/R.09/14, GEF-9 Programming Scenarios and Global Environmental Benefits Targets, January 19-20, 2026.
[16] These efforts have been undertaken in collaboration with United Nations Environment Programme – World Conservation Monitoring Centre (UNEP-WCMC), Conservation International (CI), and the Food and Agriculture Organization (FAO), respectively.

the World Bank Research Group[17], STAP [18], and UNEP-WCMC[19]. The GBI_{BD} consists of a weighted sum of a country's terrestrial and marine biodiversity scores—originally weighed 80/20 in the RAF and later refined to 75/25 with the introduction of STAR in GEF-5. This weighting has remained unchanged throughout the STAR models of the GEF-6 to GEF-8 funding cycles.

36. As presented at the Second Replenishment Meeting[20], for GEF-9, both the data and methodology of this index have now been further enhanced to make maximum use of the latest scientifically robust and globally consistent biodiversity data, expanding coverage from about 30,000 to over 63,000 species, including the introduction, for the first time, of freshwater and tree species. After evaluating additional methodological options, the update retained the core approach while integrating terrestrial and freshwater species into a single combined component, reflecting ecological realities.

37. Based on current data availability and acknowledging the critical role of marine biodiversity in global ecological health, the Secretariat proposes to now apply a 30% weighting to marine component and a 70% weighting to the newly defined terrestrial–freshwater component. The proposed weighting would better reflect the relative representativity of the data available for marine versus terrestrial and freshwater species as used in the updated GBI_{BD}.[21] In addition, the diversity of phyla is significantly higher in the marine than the terrestrial realm, where higher species diversity is due to a few phyla.[22] Increasing the marine weight thus also better reflects the relative contributions of the different realm beyond species diversity. This weighting will ensure that the STAR allocations duly reflect the critical role played by the ocean in the achievement of the goals and targets of the Kunming–Montreal Global Biodiversity Framework.[23]

38. The GEF-9 proposal for the GBI_{BD} is therefore as follows:

$$GBI\_BD = (WT \times \text{ Terrestrial \& Freshwater}) + (WM \times \text{Marine})$$

Where:

[17] GEF/C.27/Rev.1, *The GEF resource allocation framework*, November 8-10 2005.
[18] GEF/C.35/Rev.1, *Revised scenario and options for a "System for Transparent Allocation of Resources" in GEF-5*, June 22-24, 2009.
[19] GEF/C.54/03/Rev.01, *Updating the System for Transparent Allocation of Resources (STAR)*, June 24-26, 2018.
[20] GEF.R.9.09, *Draft Policy Direction for GEF-9*, October 8-9, 2025.
[21] The updated GBI_{BD} uses data from the 7,481 fully assessed marine species, which represents 0.34% of all species estimated to be present in marine realm. In total, data from all 63,364 fully assessed species across all realms is used, which represents 1.12% of all species estimated to be present on earth (8.75 million species). The relative representativity of marine data used in the GBI_{BD} is thus around 30%.
[22] Román-Palacios, C., Moraga-López, D., & Wiens, J. J. (2022). The origins of global biodiversity on land, sea and freshwater. *Ecology letters*, *25*(6), 1376-1386
[23] Convention on Biological Diversity (CBD). *Decision 15/4: Kunming-Montreal Global Biodiversity Framework*. Fifteenth meeting of the Conference of the Parties (COP-15), December 7-19, 2022.

GEF-8 Formula: WT=0.75; WM=0.25

GEF-9 Proposal: WT=0.70; WM=0.30

Global Benefits Index of Land Degradation

39. The Global Benefits Index for Land Degradation (GBI_{LD}) was introduced in GEF-5 and has maintained the same core methodology since 2010, combining dryland extent, land degradation, and rural population, with regular updates to most components.[24] In the proposed GEF-9 Programming Directions, the Land Degradation focal area places stronger emphasis on "*proactive drought management, addressing drought-prone ecosystems, and vulnerable populations"* and proposes a greater emphasis on drought through the development of a dedicated Integrated Program.[25] The Drylands and Drought Management Integrated Program will promote a systems approach to address shared drought challenges across sectors and political boundaries, and will facilitate investments to strengthen drought and dryland resilience across the GEF family of funds. In addition, as illustrated later in this chapter in the section "*Adjusting the level of floors*", while maintaining the aggregate floor level at $8Mn USD, an increase in the land degradation floors for SIDS and LDCs in the STAR model is also proposed.

40. With this focus, the GEF worked with Conservation International on the potential inclusion of a drought vulnerability indicator to better reflect the challenges of high drought risk and limited adaptive capacity. Several potential indices on drought vulnerability were evaluated,[26] and it is recommended that the "Potential of Nature-Based Solutions (NBS) to Reduce Vulnerability to Drought" indicator[27] be incorporated into the GBI_{LD} for GEF-9. Beyond considerations of dataset timeliness, methodological strengths and limitations, spatial and temporal coverage, and the alignment to the LD focal area strategy, the inclusion of the NBS index would introduce a direct and policy - relevant measure of how nature-based interventions can reduce drought-related vulnerability in recipient countries, thereby strengthening the alignment of the GBI_{LD} with GEF's strategic priorities.

41. Given the three existing components of the Land Degradation index (Land Degraded, Drylands, and Rural Population), a rebalancing of the weights is suggested in order to facilitate the integration of this new indicator. Accordingly, in this proposal, the weight on Rural Population is reduced from 20% to 10%, while the drought vulnerability index is introduced with a weight of

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[24] GEF/G.36/6.Rev.1, *System for a Transparent Allocation of Resources (STAR)*, November 10-12, 2009
[25] GEF/R.9/08, *Draft GEF-9 Programming Directions*, October 8-9, 2025.
[26] GEF.R.9.09, *Draft Policy Direction for GEF-9*, October 8-9, 2025.
[27] GEF.R.9.09, *Draft Policy Direction for GEF-9*, October 8-9, 2025.

10%. These complementary weights together offer a more accurate reflection of populations at risk from drought.

42. The GEF-9 proposal for the GBI_{LD} Index is therefore as follows:

$$GBI\_LD = (WL \times Land\ Degraded) + (WD \times Drylands) + (WV \times Drought\ Vulnerability) + (WR \times\ Rural\ Population)$$

Where:

GEF-8 Formula: WL=0.2; WD=0.6; WV=0; WR=0.2

GEF-9 Proposal: WL=0.2; WD=0.6; WV=0.1; WR=0.1

Global Benefits Index of Climate Change

43. The GBI for Climate Change (GBI_{CC}) is comprised of two indices: one based on national greenhouse gas emissions and the other based on forest cover.

44. The Green House Gas Emission component (GHG) measures a country's emissions of greenhouse gases, adjusted by its carbon intensity.[28] It is based on countries' emissions of six types of greenhouse gases[29] measured in tons of CO_2 equivalent, multiplied by an adjustment factor designed to reward countries that show a decrease in the amount of emissions of CO_2 relative to GDP or "Carbon Intensity."

45. The Forest Cover component (FC) functions as a proxy for a country's potential to reduce emissions or enhance carbon sequestration linked to forests. It uses FAO 2025 Global Forest Resources Assessment (FRA) data[30] to ensure consistency across countries. The index is designed to reward countries that have slowed their forest loss over a specific assessment period. For GEF-9, the Secretariat, working with FAO, [31] has updated the data and refined the methodology. It is proposed to extend the forest cover assessment period to a longer time horizon to better reflect the biological growth cycles of forests and smooth year-to-year variability, resulting in a more robust and stable indicator.

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[28] PL/RA/01, *System for Transparent Allocation of Resources*, March 14, 2013.
[29] CO2, CH4, N2O, HFCs, PFCs and SF6
[30] https://openknowledge.fao.org/server/api/core/bitstreams/2dee6e93-1988-4659-aa89-30dd20b43b15/content/cd6709en.html
[31] https://www.thegef.org/newsroom/news/helping-countries-better-monitor-and-report-forest-and-land-use-under-paris-climate

46. Since the introduction of this index in GEF-4, the GHG index has been consistently assigned a high weight, accounting for 95% of the overall GBI_{CC} formula, while the forest cover component is assigned a weight of 5%. [32] This weighting was originally set in GEF-4 to emphasize countries with the strongest and most measurable potential for direct greenhouse gas reductions, at a time when forest-related indicators and underlying datasets were also less established and more complex. [33] During the GEF-5 STAR discussion, it was noted that the forest cover indicator will be "*kept under review*" and "*could be revised in future phases of the GEF… based on technical and scientific advances*".[34]

47. Recognizing the importance of promoting positive land use trends,the central role of the LULUCF[35] sector in climate mitigation, and the need to reward countries with positive forest cover trends, the Secretariat proposes to increase the weight of the forest cover component to 30% and reduce the GHG index weight to 70%, reflecting recent advances in forest cover data and methodology.

48. The GEF-9 proposal for the GBI_{CC} Index is therefore as follows:

$$GBI\_CC = (WG \times \text{ GHG}) + (WF \times \text{Forest Cover})$$

Where:

GEF-8 Formula: WG=0.95; WF=0.05

GEF-9 Proposal: WG=0.70; WF=0.30

Supporting countries with special needs

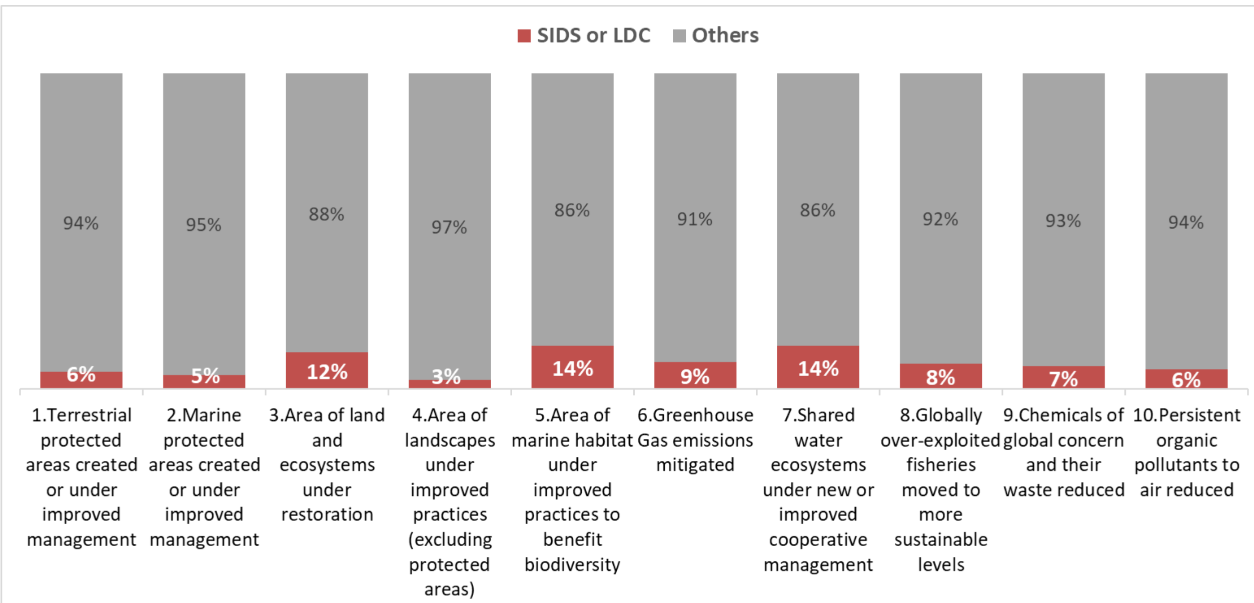
49. Recent international agreements strongly highlight the need to support Small Island Developing States (SIDS) and Least Developed Countries (LDCs), recognizing their unique vulnerabilities and challenges. The Sevilla Commitment reaffirmed the long standing pledge of developed countries to provide dedicated financial assistance to LDCs, and recognized SIDS as a special case for sustainable development. [36] The CBD COP-16 "…*invited developed country Parties and others to participate in the ninth replenishment of the GEF Trust Fund to support eligible developing country Parties, in particular the least developed countries and small island*

[32] GEF/C.62/04, *Updating The System for Transparent Allocation for Resources (STAR)*, June 21-23 2022.
[33] GEF/C.27/Inf.8/Rev.1, *The GEF Resource Allocation Framework*, November 8-10, 2005.
[34] GEF/C.46/05/Rev.01, *Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6*, May 25-27, 2014.
[35] LULUCF stands for Land-Use, Land-Use Change, and Forestry. https://unfccc.int/topics/land-use/workstreams/land-use--land-use-change-and-forestry-lulucf?utm_source=chatgpt.com
[36] UN FFD4, *Outcome document of the Fourth International Conference on Financing for Development*, *June 16, 2025.*

developing States, and Parties with economies in transition".[37] The UNCCD similarly prioritizes proactive drought resilience and requests support toward countries most exposed to land degradation and water stress, including LDCs and SIDS.[38] The UNFCCC, through the Paris Agreement and National Adaptation Plans, commits financial, technical, and capacity-building support to the most climate-vulnerable nations, including LDCs, SIDS, and African states.[39]

50. In its ongoing efforts to address the major drivers of environmental degradation and promote systemic change, GEF programming has continued to prioritize support for countries with special needs. At the same time, it is recognized that the GEF's overarching mandate of global environmental benefits necessitates a balance between these priorities.

Figure 3. GEF-8 core indicator results that are attributable to SIDS and LDCs



51. Figure 3 shows the share of GEF-8 core indicator results that are attributable to SIDS and LDCs,[40] based on data from the GEF-8 Corporate Scorecard- June 2025[41]. This demonstrates that a continuous increase of resources to SIDS and LDCs relative to other country groups could potentially have an impact on (1) the level of core indicator targets that would be set as an ambition for GEF-9, and (2) the ability to achieve those targets. With the objective of finding the right balance, the Secretariat proposed several GEF-9 STAR-related levers in the Second

[37] CBD/COP/DEC/16/33, *Decision adopted by the Conference of the Parties to the Convention on Biological Diversity on 27 February 2025*, February 25-27, 2025.
[38] ICCD/COP(16)/24/Add.1, *Assessment of Financial Flows*, December 13, 2024.
[39] https://unfccc.int/national-adaptation-plans
[40] The SIDS/LDC group comprises national projects in SIDS and LDCs, as well as regional and global projects in which all participating countries are SIDS or LDCs.
[41] GEF, *GEF-9 Scorecard*, June 2025.

Replenishment Meeting to strengthen allocations to SIDS and LDCs - a Vulnerability Index, the weight of the GDP Index, the level of floors, and a potential ringfencing of resources[42], and now presents concrete recommendations on each.

Vulnerability Index

52. Building on the scoping exercise on vulnerability indices discussed at the Second Replenishment Meeting[43], comprehensive analytical work has been undertaken to further assess the potential integration of a vulnerability index into the STAR allocation formula. Three candidate indices were examined: the Multidimensional Vulnerability Index (UN MVI) developed under the auspices of the United Nations,[44] the Economic and Environmental Vulnerability Index (EVI) produced by UN DESA,[45] and the Fragility Framework utilized by the OECD.[46] The assessment considered several key criteria, including country coverage, update frequency, historical consistency, and current applications.

53. Based on this assessment, the Secretariat proposes not to introduce a Vulnerability Index into the GEF-9 STAR allocation formula. Several considerations support this approach. There is a general challenge regarding the application of a universal vulnerability framework to highly diverse countries and different contexts.[47] To that end, methodologies on how to define, categorize, measure and monitor the concept of "vulnerability" are still evolving. Furthermore, certain elements within the broad vulnerability context measured by existing indices—such as those related to man-made factors—may fall outside the GEF's mandate of the generation of global environmental benefits. Within that context, it is suggested to instead utilize the existing income-based metric (GDP per capita).

GDP Index

54. The GDP per capita index was introduced into the STAR in GEF-5, following the suggestion to incorporate a social and economic component into the resource allocation. Its purpose was to direct resources to poorer countries to support capacity building for implementing GEF projects.[48] Since then, the weight of GDP index has been a core feature of increasing resources to SIDS and LDCs, with an increasing magnitude across every successive GEF cycle. From GEF-5 to GEF-6, the weight of the GDP Index was doubled (in absolute terms) from 0.04

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[42] GEF/R.9/09, *Draft Policy Directions for GEF-9*, October 8-9, 2025.
[43] GEF/R.9/09, *Draft Policy Directions for GEF-9*, October 8-9, 2025.
[44] https://www.un.org/ohrlls/mvi
[45] https://policy.desa.un.org/themes/least-developed-countries-category/ldc-identification-criteria-and-indicators
[46] OECD, *Stats of fragility*, February 2025.
[47] https://policy.desa.un.org/themes/least-developed-countries-category/ldc-identification-criteria-and-indicators
[48] GEF/C.36/6, *System for a Transparent Allocation of Resources (STAR): Options and Scenarios*, November 10-12, 2009.

to 0.08, as recommended by IEO. [49] Continuously, the weight further increased in the successive cycles to 0.16 in GEF-8. [50] Following this approach, it is proposed to further increase the GDP weight to 0.18 (in absolute terms).

55. The GEF-9 proposal for the Economic Needs component of the GEF-9 STAR is represented by the following formula:

$$Economic\ Needs = \ GDP^{WG}$$

Where:

GEF-8 Formula: WG= -0.16

GEF-9 Proposal: WG= -0.18

Ceilings

56. The STAR focal area ceilings set the maximum share of a Focal Area Allocation, including the STAR envelope and set-asides, that a single country can receive. Ceilings were initially introduced in GEF-4 at 15% of the "STAR envelope plus set asides" for climate change and 10% for biodiversity,[51] modified in GEF-5 to 11% for climate change and 10% for both biodiversity and land degradation,[52] and then harmonized to 10% across all three "STAR envelopes plus set asides"in GEF-6.[53] This 10% level continued in GEF-7. In GEF-8, the focal area ceilings were reduced to 6%. [54]

57. Under the proposed GEF-9 financial scenarios, the total STAR share of the funding envelope decreases from 46% to 35%-38%.[55] Accordingly, to keep the ceiling as an effective lever, it is proposed to maintain the GEF-9 ceiling level of 6%, while adjusting the multiplier so that it applies to the STAR envelope only, rather than the existing "STAR envelope plus set-asides". This change leads to lower ceiling levels in absolute terms and therefore, together with the focal area floors, will serve the function of maintaining individual allocations within a range.

[49]GEF IEO, *Mid Term Evaluation of the System for Transparent Allocation of Resources*, February 12, 2013.
[50] GEF/C.62/04, Updating the System for Transparent Allocation of Resources (STAR), June 21-23, 2022.
[51] GEF/C.27/Inf.8/Rev.1 *The GEF Resource Allocation Framework,* https://www.thegef.org/council-meeting-documents/gef-resource-allocation-framework
[52] GEF/C.36/6, System for a Transparent Allocation of Resources (STAR): Options and Scenarios, November 10-12, 2009.
[53] GEF/C.46/05/Rev.01, *Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6*, May 19, 2014.
[54] GEF/C.62/04, *Updating the System for Transparent Allocation of Resources (STAR)*, June 21-23, 2022.
[55] GEF/R.09/14, *GEF-9 Programming Scenarios and Global Environmental Benefits Targets*, January 19-20, 2026.

58. Table 1 below presents the GEF-9 proposal for the ceiling definition, compared with the GEF-8 approach, using the GEF-9 5.3 Bn financial senario as an example.

Table 1. Proposed GEF-9 ceiling definition, compared with the GEF-8 approach, GEF-9 5.3 Bn Scenario

GEF-9 proposal:

	Ceiling Percentage	Focal Area STAR Envelope ($Mn)	Ceiling ($Mn)
Climate Change	6%	252.0	15.1
Biodiversity	6%	1,237.0	74.2
Land Degradation	6%	479.0	28.7

GEF-8 level:

	Ceiling Percentage	Focal Area STAR Envelope + Set Asides ($Mn)	Ceiling ($Mn)
Climate Change	6%	533.0	32.0
Biodiversity	6%	1,759.0	105.5
Land Degradation	6%	640.0	38.4

Floors

59. Recognizing that maintaining an absolute floor remains the most effective means of securing resources for SIDS/LDCs as a group, it was proposed to set an absolute floor at the GEF-8 level of USD 8 million to SIDS/LDCs as an option at the Second Replenishment Meeting.

60. While maintaining the absolute floor levels at the GEF-8 level, the rebalancing of individual focal area allocation floors is suggested to align with the distribution of resources across the three STAR focal areas under the proposed GEF-9 financial scenarios[56] as well as thematic priorities. Biodiversity floors rise and climate change floors decline for all countries, while land degradation floors increase specifically for SIDS and LDCs to better reflect drought vulnerability. It should be recalled that with full flexibility provisions (which were introduced in GEF-8 and are proposed to continue for GEF-9), the specific focal area floor levels are less consequential in practice, provided that the aggregate floor levels are maintained.

[56] GEF/R.09/14, *GEF-9 Programming Scenarios and Global Environmental Benefits Targets*, January 19-20, 2026.

Table 2. Harmonizing the minimum allocation floors for GEF-9 (US$ million) [57]

	GEF-8 floor for non-SIDS/LDCs	GEF-9 floor for non-SIDS/LDCs	GEF-8 floor for SIDS/LDCs	GEF-9 floor for SIDS/LDCs
Climate Change	1	0.2	2	0.3
Biodiversity	3	4.3	4	4.5
Land Degradation	1	0.5	2	3.3
Aggregate Floor	***5***	***5***	***8***	***8***

Ringfencing the Share of STAR Resources to SIDS/LDCs

61. To ensure adequate STAR resources for countries with special needs, the Secretariat presented as an option at the Second Replenishment Meeting, the establishment of a percentage allocation target for SIDS and LDCs, which would later be translated into country-level allocations once financial scenarios were defined. It was proposed under GEF-9 to set a minimum allocation to SIDS/LDCs by either ringfencing the GEF-8 share level (38%) or an absolute floor of USD 8 million, whichever is higher.

62. With proposed GEF-9 financial scenarios[58] now defined and a complete GEF-9 STAR Model in place (which includes the absolute floors maintained at the GEF-8 level and the GDP weight increased to 0.18), the total share allocated to SIDS and LDCs increases notably—from 38% at GEF-8 to a range of 41%–43%, depending on the specific financial scenario (Figure 5. in the Section "*GEF-9 Simulations on Country Groups*").

63. Based on these results, and given the dynamic nature of both the proposed GEF-9 financial scenarios and the GEF-9 STAR model parameters currently under discussion by replenishment participants, the Secretariat proposes a ringfencing ratio in the range of 38%-44% of STAR resources for the SIDS and LDCs group as a whole. [59] This ensures that the group will receive at least 38% of STAR allocations in the GEF 9 cycle, or potentially higher shares (up to 44%) depending on the final GEF-9 financial scenario. This approach provides a practical mechanism to safeguard the share of resources for SIDS and LDCs to at least the GEF-8 shares as the different elements of the replenishment negotiations continue to be discussed, while safeguarding the GEF's overarching mandate, which is to generate Global Environmental Benefits. It should be noted that,

[57] This distribution of focal area floors is subject to change as the financial scenarios and model parameters evolve.
[58] GEF/R.09/14, *GEF-9 Programming Scenarios and Global Environmental Benefits Targets*, January 19-20, 2026.
[59] Unlike the GBFF, which sets portfolio targets rather than country allocations, STAR allocations for SIDS and LDCs, and therefore the share for SIDS and LDCs, will remain fixed for the entire GEF 9 cycle once the STAR country allocations are released at the start of GEF 9.

depending on the ultimate GEF-9 replenishment amounts and focal area allocations, the maintenance of this ringfencing range may require further adjustments to the floors and ceilings.

Increasing country incentives for efficient use of GEF resources

64. Recent international agreements, evaluations and conversations have consistently emphasized the need for greater efficiency in the use of limited ODA resources to maximize the impact, particularly in a GEF context. As such, the Secretariat is exploring targeted initiatives within the GEF-9 STAR model to further this objective. At the Second Replenishment Meeting, the Secretariat suggested three potential GEF-9 STAR parameters/features to this end, which have now been further developed:

(i) Introducing a Disbursement Index

(ii) Maintaining a Competitive Window

(iii)Conducting a Mid-term Review

Introducing a Disbursement Index

65. In the STAR system, the performance component – the ability of a country to achieve its potential global environmental benefits - is represented by the Country Performance Index. Similar to the practice seen in most PBAs (Annex B), this index typically consists of two subcomponents: (1) the overall quality of country policy and institutional frameworks – reflected as Institutional Assessment Index (IA) in STAR, and (2) the performance of the implementing portfolio – reflected as Portfolio Performance Index (PPI) in STAR. By combining both IA and PPI, the existing CPI formula is as follows:

$$CPI = (0.2 \times PPI) + (0.8 \times IA)$$

66. The Portfolio Performance Index (PPI) is a key element of the STAR formula's performance component. In GEF-8, the PPI was based on project implementation and completion ratings drawn from Project Implementation Reports (PIRs) [60] and Terminal Evaluations (TEs) [61].

67. For GEF-9, it is proposed to enhance the PPI by incorporating a Disbursement Index to measure the speed of fund utilization, reflecting the emphasis on efficient and timely resource delivery. This strengthens the assessment of portfolio performance by complementing qualitative project ratings with a more objective measure. This proposal is also in line with the GEF-9 Country Engagement Strategy (CES), which positions Operational Focal Points (OFPs) at the center of a

[60] Project Implementation Reports
[61] GEFIEO Data & Ratings

"whole-of-government" and "whole-of-society" approach to support holistic portfolio oversight where disbursement speed drives environmental outcomes. [62]

68. The suggested Disbursement Index in STAR is drawn from the Disbursement Ratio[63] that has been reported annually in the GEF Monitoring Report since 2019. This uses data from Agencies' PIR submissions via the GEF Portal, consistent with the existing PPI sub-indices (PIR and TER). Specifically, the proposed index captures the speed of disbursement[64] over the most recent five fiscal years, covering all ongoing Medium-Sized Projects (MSPs) and Full-Sized Projects (FSPs) funded by the GEF Trust Fund[65]. It is calculated as follows:

(i) Aggregate the total amount disbursed over the past five fiscal years for all eligible projects within a given country.
(ii) Divide this amount by the total undisbursed balance at the start of the five-year period, producing a ratio that reflects the relative speed of fund utilization.

To ensure fairness and avoid annual fluctuations - particularly for countries with limited project portfolios or small allocations - the suggested Disbursement Index measures overall disbursement speed over a five-year period, rather than on an annual basis. Taking into account project lifecycles, and to avoid statistical volatility from very small disbursement size, projects that have already disbursed 95% or more at the time of calculation are excluded. To ensure comparability and consistency, this ratio is then converted into a standardized scale ranging from 1 to 5, similar to the PIR and TER components. This is done by applying min–max normalization to the values, followed by multiplication by 5 to fit the intended scale.

69. By introducing the Disbursement Index, a corresponding adjustment to the weighting of the PIR and TER components is applied, with a reduction in each by 0.1 to accommodate the proposed weighting for the new index.

70. The GEF-9 proposal for the Portfolio Performance component of the GEF-9 STAR is therefore represented by the following formula:

$$PPI = (WP \times PIR) + (WT \times TER) + (WD \times Disbursement)$$

[62] GEF/R.9/05, *Ninth GEF Replenishment: Draft GEF-9 Strategic Positioning and Programming Directions*, May 20-21. 2025.
[63] GEF, Guidelines on the Implementation of the GEF-8 Results Measurement Framework (GEF/C.62/Inf.12/Rev.01), 2022.
[64] GEF/C.68/03, *GEF Monitoring Report*, November 18, 2024.
[65] Given the recent expansion of the one-step approval process - raising the MSP ceiling from USD 2 million to USD 5 million - providing easier access to financing and faster preparation, it is important to include Medium-Sized Projects alongside FSPs funded by the GEF Trust Fund in this index. In addition, analyses in the Monitoring Report over the years have confirmed that MSPs behave in a way that tends to be similar to FSPs with increasingly more limited differences in implementation duration.

Where

GEF-8 Formula: WP=0.4, WT=0.6, WD=0

GEF-9 Proposal: WP=0.3, WT=0.5, WD=0.2

Maintaining a special window for the top recipient countries

71. Building on the GEF-8 experience with the Policy Coherence competitive window in the STAR, the GEF-9 STAR model will retain and expand this window, updating its scope, country coverage, and thematic focus. Drawing from discussions during the Second Replenishment Meeting and written inputs from participants, the following key features for the GEF-9 window are proposed:

(1) The size of the window – targeted percentage:

A fixed percentage of STAR allocations will be pooled from eligible countries to fund this window. In GEF-8, 8 percent of STAR allocations were set aside; for GEF-9, it is proposed to increase this to 12 percent, allowing for a more ambitious and impactful implementation of the targeted thematic focus.

(2) The cohort of countries:

In GEF-8, the window targeted the top 5 STAR recipient countries, excluding SIDS and LDCs. In GEF-9, it is proposed that this approach be expanded to the top 10 STAR recipients, excluding any SIDS or LDCs.

(3) **Thematic focus**:

Reflecting the discussion at the Second Replenishment Meeting, the potential thematic focus for this competitive window is on Blended Finance partnering with Multilateral Development Banks (MDBs) /International Financial Institutions (IFIs), together with the development of country platforms which will help to mainstream environmental objectives under a country-owned approach. Within this framework, a whole of government and whole of society approach will be specifically fostered through the programming of this window.

72. Reflecting the OPS-8 findings by GEF IEO[66] as well as ongoing learning from the operationalization of the GEF-8 competitive window, it is proposed to mainstream this special window into the regular GEF-9 programming, rather than issuing separate calls for proposals. The implementation modalities of this special window will therefore align with standard STAR

[66] GEF IEO, Integration for Greater Impact: Eighth Comprehensive Evaluation of the GEF, September 8, 2025.

national programming, while focusing on the specific theme. It will be country driven, aiming to maximize results by concentrating efforts on the selected group of high-impact countries with strong implementation capacity. It would also remove the “competitive” aspect of the Window, instead making these funds a specific set-aside allocation within each eligible country’s STAR that will be mandatorily focused on the specific theme. This approach would help reduce fragmentation, simplify procedures, enhance predictability, and ease administrative burden on countries and Agencies.

Conducting a mid-term review of GEF-9 STAR utilization

73. With the overall support from the Participants, the GEF Secretariat will conduct a mid-term review of GEF-9 STAR utilization for Council discussion. This would take stock of current STAR programming, highlight any significant under-utilizations, and potentially develop measures to further incentivize timely programming.

Maintaining full flexibility to support integrated programming principles

74. GEF-9 Replenishment Participants reaffirmed strong support for maintaining full flexibility in implementing integrated programming principles. At its 69th meeting, the GEF Council welcomed the GEF-8 Midterm Review on the Performance of Full Flexibility.[67] Building on this, the Secretariat continues to monitor the application of full flexibility as GEF-8 comes to a close. As such, an updated review of GEF-8 use of Full Flexibility will be presented to the 70th Council meeting as an information document.[68]

75. This updated analysis confirms that towards the end of GEF-8, based on approved projects as of December 2025,[69] the full flexibility feature is being utilized but has had a limited aggregate financial impact – 53 out of 144 countries have programmed their STAR resources for flexible use, with a flow of $126 million (or 5% of total STAR allocations) across focal areas. Furthermore, after balancing inflows and outflows, the aggregate net flow among three focal area is $41 million – or 2% of total STAR allocations. Therefore, the aggregate net impact of full flexibility on achieving the notional focal area funding targets, which were set during the GEF-8 replenishment negotiations, is minimal.

76. Under Full Flexibility, tracking of the OECD-DAC Rio Markers for Biodiversity, Desertification (Land Degradation), and Climate Change (reflecting both Adaptation and Mitigation markers) and regular reporting via the GEF Scorecard will continue in GEF-9.[70] As

[67] GEF/C.68/11, *GEF-9 Midterm Review on Performance of Full Flexibility*, December 16-20 2024.
[68] GEF/C.70/Inf.15, *GEF-8 Review on Performance of STAR Full Flexibility*, December 15-19, 2025.
[69] The projects for the December 2025 Work Program are not included, as they are not yet approved by Council.
[70] GEF/R.9/09 Results Section, *Draft Policy Directions for GEF-9*, September 10 2025.

outlined in the Policy Recommendations of the GEF-9 Policy Directions document,[71] respective portfolio targets will be maintained at the GEF-8 level for GEF financing contributing to Biodiversity (60%), Climate Change Adaptation (45%), Climate Change Mitigation (65%), and Land Degradation (50%). This approach would facilitate the consistent monitoring of the objectives outlined in the three Rio Conventions—the Convention on Biological Diversity, the United Nations Convention to Combat Desertification, and the United Nations Framework Convention on Climate Change—irrespective of the flexibility permitted by STAR provisions.

STAR Data Updates for Existing Indices

77. Rigorous routine data updates have been completed for all existing indices, sub-indices, and country categories of the GEF-9 STAR. Data was updated to the latest available data by October 2025, as follows:

- all country categories were updated, including income and LDC categories,
- all components of the Global Benefits Index for Biodiversity were updated, inclusive of the sub-indices on (i) terrestrial and (ii) marine biodiversity,
- all components of the Global Benefits Index for Land Degradation were updated, inclusive of the sub-indices on (i) Lande degradation (ii) Dryland (iii) Rural Population,
- all components of the Global Benefits Index for Climate Change were updated, inclusive of the sub-indices on (i) Greenhouse Gas Emissions and (ii) Forest Cover,
- the Portfolio Performance sub-index of the Country Performance Index was updated, and a further data change was undertaken to restrict PIR ratings to projects under implementation in the last 5 years, as per the findings of the IEO's Terminal Evaluation,[72]
- the Institutional Assessment sub-indicator of the Country Performance Index, inclusive of its components of (i) the Country Environmental Policy and Institutional Assessment, and (ii) the Broad Framework Indicator.
- GDP per capita data under Economic Needs has been updated.

78. Details of all data updates undertaken for the GEF-9 STAR Model will be given in the GEF-9 STAR Policy Paper that will come to the 71st GEF Council in June 2026. This will include

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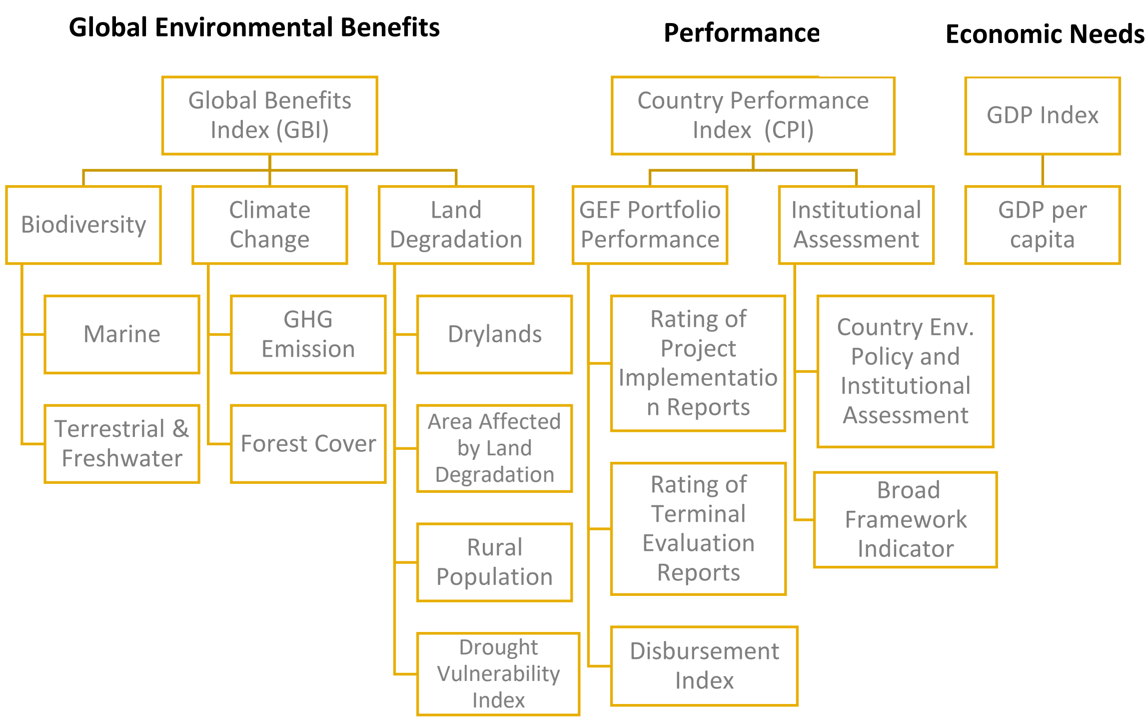
[71] GEF/R.9/09 Results Section, *Draft Policy Directions for GEF-9*, September 10 2025.
[72] GEF/ME/C.53/Inf.10, *Review of the GEF's System for Transparent Allocation of Resources*, https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.10_Eval_of%20GEF_System_for_transparent%20alloc_of_Resources_Nov_2017.pdf

the specific years of update, public data links where applicable, and all appropriate calculation protocols for any missing data.

GEF-9 Simulations on Country Groups

79. Reflecting the discussions above, the proposed structure of the GEF-9 STAR is presented below. Compared with GEF-8, three new indices are proposed to be introduced: the Drought Vulnerability Index under the GBI for Land Degradation, the Disbursement Index under the CPI and a Vulnerability Index.

Figure 4. The GEF-9 STAR Structure



80. Based on the data updates and the methodological enhancements, preliminary GEF-9 STAR Model results presented below are based on the following parameters:

Table 3. GEF-9 STAR Model Parameters

	GEF-8	GEF-9
STAR Envelope	$2.43 Bn (45.7% of the 5.33Bn replenishment)	$1.7Bn (38% of $4.5Bn Scenario); $2.0 Bn (37% 0f $5.3Bn Scenario); $ 2.1 Bn (35% of $6.0 Bn Scenario)
Weight for the GBI	0.8 (Same as GEF-7)	0.8 (Same as GEF-8)
Weight for the CPI	1.0 (Same as GEF-7)	1.0 (Same as GEF-8)
Weight for the GDP index	-0.16	-0.18
Weights for GBI Sub-indices	BD: 25% Marine + 75% Terrestrial/Freshwater LD: 20%Area affected by LD + 60%Dryland + 20%Rural Population CC: 95%GHG+5%Forest Cover	BD: 30% Marine + 70% Terrestrial/Freshwater LD: 20%Area affected by LD + 60%Dryland + 10%Rural Population + 10%Drought Vulnerability CC: 70%GHG+30%Forest Cover
Aggregate SIDS/LDCs floors	$8 Mn	$8Mn (Same as GEF-8)
Aggregate Non-SIDS/LDCs floors	$5 Mn	$5Mn (Same as GEF-8)
Focal Area Ceilings	6% of STAR plus set-asides	6% of STAR envelope
Weight for the Disbursement Index	0.4PIR+0.6TER	0.3PIR+0.5TER+0.2Disbursement Index

81. Along the lines of the approach adopted for the previous replenishments,[73] preliminary GEF-9 STAR Model results are presented across the following three mutually exclusive groups of countries:

(i) *SIDS/LDCs*: This group comprises 75 SIDS/LDCs, of which 38 are SIDS,[74] 44 are LDCs,[75] and 7 are both SIDS and LDCs.[76]

(ii) Upper Middle-Income Countries (UMIC) and High-Income Countries (HIC) that are not SIDS or LDCs (henceforth referred to as "*UMICs and HICs that are not SIDS and LDCs*"): This paper applies the Fiscal Year 2022 World Bank lending groups.[77] This group comprises 39 countries.

(iii) Low Income Countries (LIC) and Lower Middle-Income Countries (LMIC) that are not SIDS or LDCs (henceforth referred to as "*Others*"): Based on the World Bank's Fiscal Year 2022 lending groups, this group comprises 30 countries.

[73] GEF/R.7/10, *GEF-7 Policy Agenda: Analysis in Support of the Proposed GEF-7 Policy Recommendations*, https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-7%20-%20Policy%20Agenda%20-%20GEF_R.7_10.pdf

[74] https://sustainabledevelopment.un.org/topics/sids/list

[75] https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf

[76] Solomon Islands, São Tomé and Principe, Timor-Leste, Haiti, Kiribati, Comoros, Guinea-Bissau and Tuvalu

[77] https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups

Figure 5. GEF-9 STAR Allocations on Country Groups, % Share of Total STAR Allocations

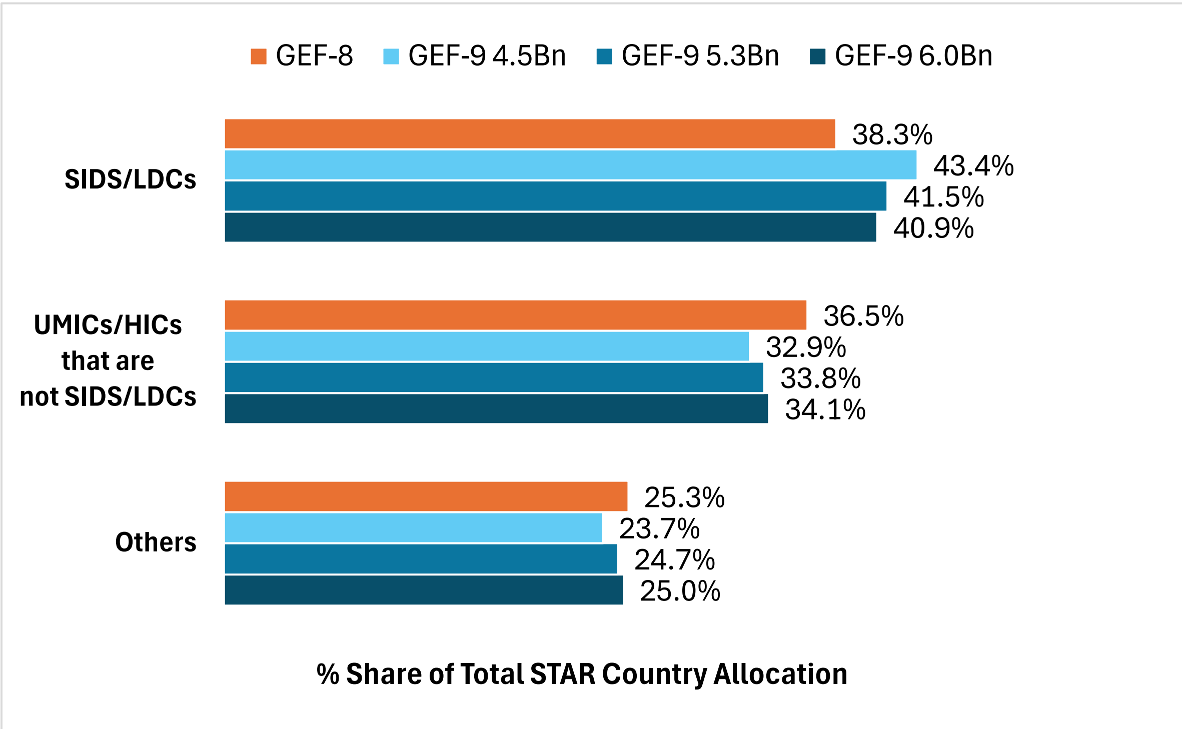
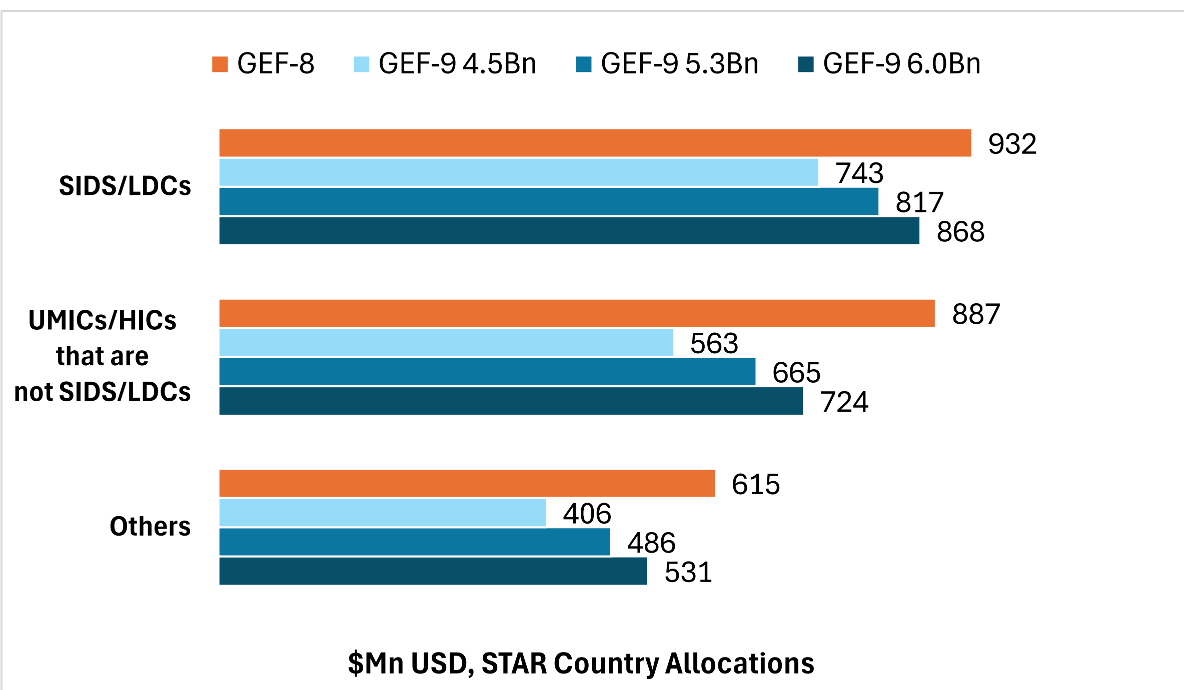


Figure 6. GEF-9 STAR Allocations on Country Groups, Absolute Amount ($US Million)



82. Key observations of preliminary simulations across the specified country groups relative to GEF-8 are as follows:

(i) All three country groups will experience decreasing aggregate amounts due to the decreases in STAR share that are reflected in the financial scenarios (depending on the scenario, this impact will vary in both magnitude and direction for the specific countries within these groups)

(ii) SIDS/LDCs will receive a greater percentage of resources in all three scenarios. Although the special aggregate floor for SIDS and LDCs remains at the $8Mn level, countries with allocations above the floors still experience reductions, leading to a decrease in absolute amount

(iii) UMICs and HICs (that are not SIDS or LDCs) will experience a reduction in the percentage of resources

(iv) The "Other" countries will experience a small reduction in the percentage of resources

83. While these are results at the group level, individual country outcomes within each group may vary significantly, reflecting the underlying parameters of the STAR model, the existing data updates and the total STAR share in the financial scenarios.

Conclusions and Next Steps

84. This paper outlines the Secretariat's proposal for the GEF-9 STAR Model. Based on the ongoing Replenishment discussions to date, the GEF-9 STAR Model proposes (i) enhancing methodologies on Global Benefits Indices to address key environmental priorities, (ii) supporting countries with special needs, (iii) increasing country incentives for efficient use of GEF resources and (iv) maintaining full flexibility to support integrated programming principles.

85. It is important to note that the GEF-9 simulations presented here are to be considered preliminary only. The most foundational parameters for STAR simulations – the focal area allocations – are under parallel discussions by replenishment participants through the "GEF-9 Programming Scenarios and Global Environmental Benefits Targets" paper[78] which is being simultaneously presented to the Third Replenishment Meeting. Additionally, the GEF-9 STAR Model continues to be a work-in-progress, now at the stage of intensive data quality checks and the conduct of simulations across different technical platforms.

86. In line with the practice adopted for past replenishments, the GEF-9 STAR Policy will be presented for decision at the 71st Council meeting in June 2026, and individual country allocations will be published on July 1st 2026. The STAR Policy will be reflective of the replenishment discussions and guidance on the GEF-9 model parameters. As the technical work continues to advance, decisions on the key input parameters of the financing scenarios are also expected to converge in order to enable the final calculations.

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[78] GEF/R.09/14, *GEF-9 Programming Scenarios and Global Environmental Benefits Targets*, January 19-20, 2026.

III. RESULTS MANAGEMENT FRAMEWORK

1. The GEF assesses its effectiveness by how well it delivers lasting global environmental benefits through its financing. This focus is central to the GEF-9 Results Management Framework (RMF). The stakes for the planet are high, with time-bound commitments set for achievement by 2030, coinciding with the end of the GEF-9 funding cycle. In light of this ambition, the GEF must go beyond measuring results — it must manage for results, fostering evidence-based decision-making, learning, and adaptive management. This shift in emphasis underpins the transition in name from Results Measurement Framework to Results Management Framework.

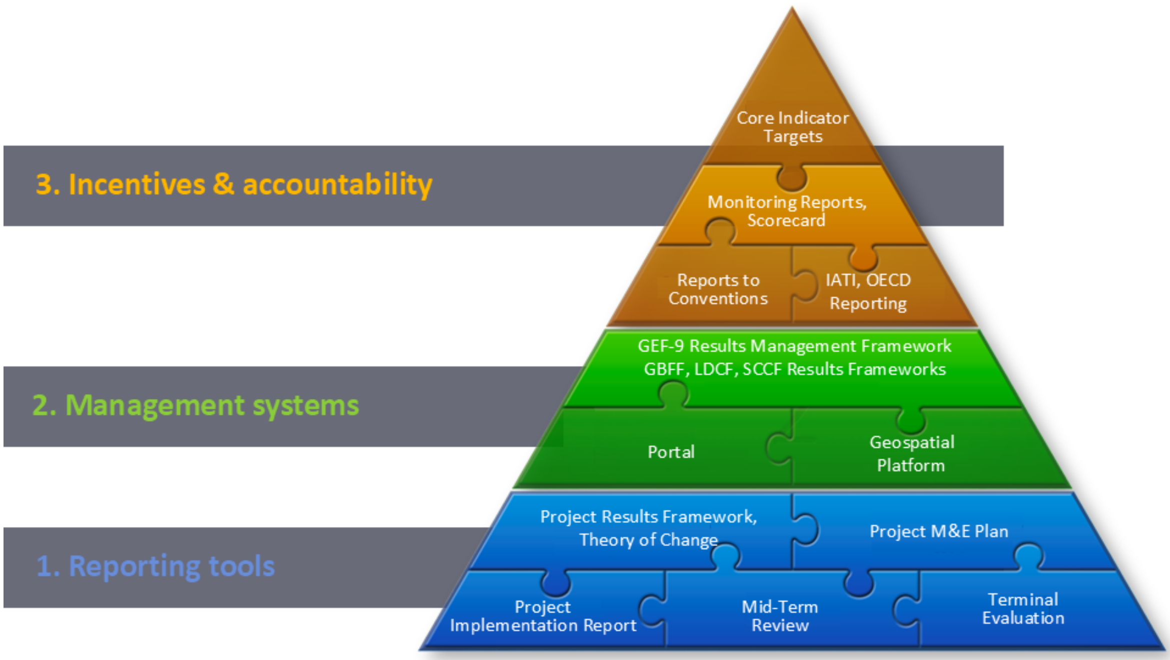
2. This section outlines the proposed directions for structuring the GEF-9 RMF. The framework aligns with the strategic objectives and theory of change set out in the GEF-9 Programming Directions, and responds to key priorities including enhanced measurement of socio-economic co-benefits, driving system transformation, and advancing GEF modernization. It streamlines indicators, addresses conventions' guidance, harmonizes metrics with other climate funds, and embeds a family-of-funds approach. The RMF builds on evaluative evidence from the IEO and scientific and technical advice from STAP, and has been informed by consultations with environmental funds and Agencies, as well as benchmarking exercises and practices observed across GEF Agencies.

3. The RMF is embedded within the GEF's broader outcome-oriented system and learning strategy, supported by complementary tools for both progress reporting, knowledge and results delivery. The GEF reports to Council through the Annual Monitoring Report and the Corporate Scorecard. Similar frameworks exist for the GBFF – partly nested within the GEF RMF – and for the LDCF and SCCF, which share a standalone framework. An end-to-end results system in the GEF Portal enables Agencies to provide regular updates, while the GEF Geospatial Platform tracks local-level results, overlaying project locations with satellite imagery to reveal environmental change. This is underpinned by project- and program-level implementation and reporting, including Project Implementation Reports, Program Progress Monitoring Reports, Mid-Term Reviews, and Terminal Evaluations. This information underpins advances in learning mechanisms now being implemented under the Strategy for Knowledge Management and Learning. Upstream, the focus on results and targets drives higher-impact projects and strategic selectivity. See Figure 7 for an overview of this architecture.

4. In this context, the RMF forms the apex of the GEF's results management system. It is a strategic tool for assessing and managing results and performance. The two-tier structure adopted in GEF-8 is retained (see Figure 8), distinguishing operational results (Tier 1) from operational inputs and management (Tier 2). Supported by Core Indicator targets for GEF-9, the RMF guides programming with a clear focus and aligned incentives. It enables informed decisions, shared ownership, and timely resource allocation, while fostering learning and performance improvements that strengthen environmental results. The RMF also supports accountability and

facilitates communication of achievements, with target tracking and results reported respectively in the Corporate Scorecard and Annual Monitoring Report.

Figure 7. Managing for Environmental Results with Incentives, Systems and Tools



5. Outcome management in GEF-9 will build on recent innovations and advances at the nexus of results and risk, with forthcoming evolutions outlined later in this section. The GEF-8 RMF strengthened the assurance framework for projects and programs through robust target setting, monitoring, and reporting, underpinned by clear theories of change. The adoption of the GEF Risk Appetite in February 2024 further underscored that prudent risk-taking is essential not only to deliver environmental outcomes but also to catalyze transformational change through innovative solutions.

A Framework to Deliver GEF-9 and Increase Results

6. The GEF-9 RMF builds on innovations from the past two funding cycles, with enhanced tools, practices, and systems to assess effectiveness. In GEF-7, the focus shifted from tracking numerous focal area indicators to a streamlined set of integrated Core Indicators. GEF-8 retained most of these while introducing a two-tier Results Measurement Framework: Tier 1 tracks Core Indicators across key environmental results areas, and Tier 2 monitors portfolio effectiveness and efficiency. Together, the tiers capture the GEF's ability to convert financing into global environmental benefits, with stronger conceptual linkages between outcomes and the inputs, processes, and activities that drive them. Reporting practices have also improved, enabling consistent updates on actual results achieved.

7. In the ninth Replenishment phase, the RMF will retain the structure adopted in GEF-8 while enhancing the tracking of socio-economic co-benefits and progress toward system change. The RMF will introduce to this end additional metrics to be tracked at the project level, as appropriate, with existing M&E budget notional caps. Additionally, refinements to environmental results tracking are underway to reflect emerging priorities and strengthen alignment with programming directions.

8. Three principles underpin and guide the development of the GEF-9 RMF: streamlining, harmonization, and synergies through a family-of-funds approach. First, the RMF development aligns with the streamlining agenda, balancing comprehensiveness with strategic focus. This means maintaining a selective framework that highlights key results areas while keeping reporting manageable and consistent with good practice. Consequently, it avoids adding reporting burdens on Agencies and countries by introducing only a limited number of new standard indicators. For reference, Tier 1 of the GEF-8 RMF already includes 28 results indicators – slightly more than in the corporate frameworks of GEF Agencies – some of which feature extensive disaggregation, such as by geophysical regions and targeted chemical types.[79]

9. Second, harmonizing results indicators and methodologies is essential to reduce transaction costs for countries, especially among environmental funds with similar strategies, donors, and recipients. Harmonization improves awareness of environmental funds' collective efforts, enhances decision-making and mutual learning, facilitates joint reporting for aggregated results, and responds to donor interests. It also lessens countries' reporting burdens by standardizing information requirements. This effort supports a commitment made by environmental funds at UNFCCC COP28 in December 2023 to accelerate collaboration on monitoring, evaluation, and learning through common indicators and aligned frameworks. Since then, results teams have collaborated closely, including through a recent workshop at GEF offices to identify shared indicators for joint reporting that led to the release at COP30 of a Joint Results Report.[80]

10. Third, a family-of-funds approach infuses the development of the RMF, strengthening coherence, accountability, and visibility across the GEF Partnership. While the RMF focuses on results generated through GEF financing, reporting will highlight instances where multi-trust fund projects allowed to deliver additional climate adaptation or biodiversity results through financing from the LDCF and SCCF, and the GBFF. This approach integrates individual fund mandates while maintaining required distinct reporting lines. Through publication, the GEF will also present

[79] For context, the number of indicators tracking project results in the corporate results framework identified for GEF Agencies is: 23 for the AfDB, 12 for the ADB, 24 for EBRD, 26 for IDB, 27 for IFAD and 22 for the World Bank. It should be noted that the GEF's indicators are designed primarily to track progress toward the objectives of the MEAs for which it serves as a financial mechanism, a mandate that contrasts with other Agencies with a focus on economic and social development outcomes.
[80] MCF, *Joint Results Report*, Nov. 2025.

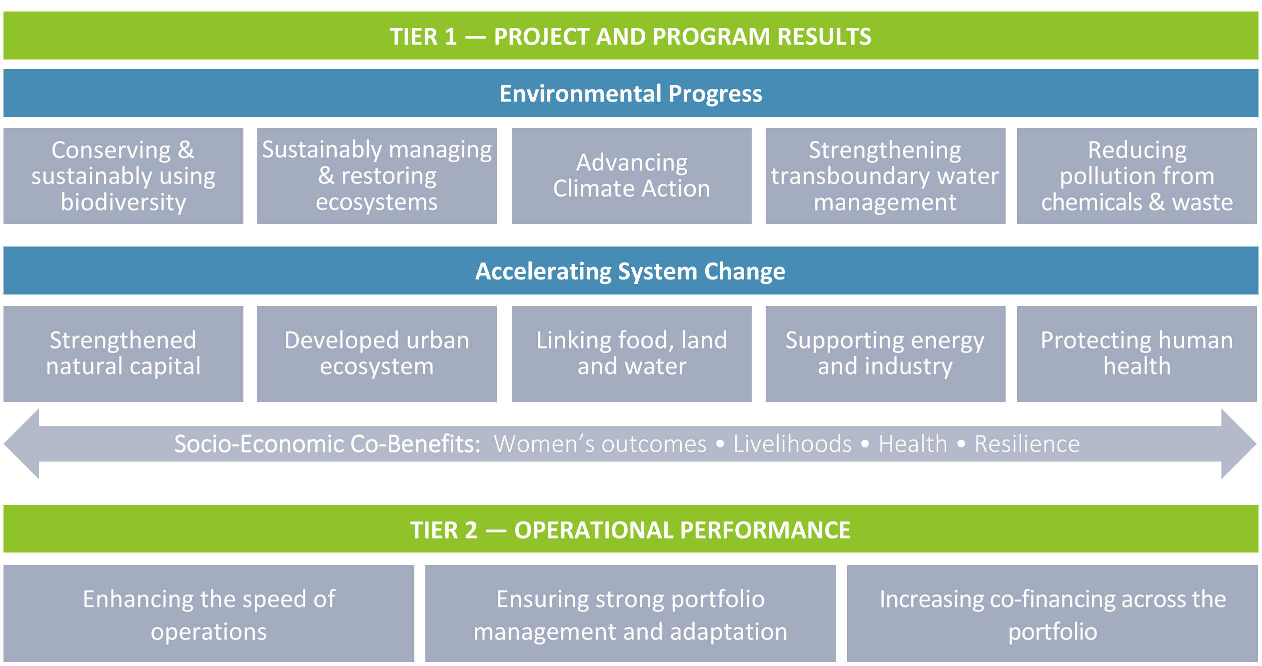
harmonized, “One GEF” reporting on collective portfolio results, showcasing impact at scale and incentivizing cross-fund collaboration,

11. The GEF-9 RMF raises ambition for the FY27–31 period by extending measurement to socio-economic co-benefits and system change. While increasing the number of indicators, it enhances the GEF’s ability to track investment impact, deepen accountability, and guide integrated environmental progress. The RMF ensures a cohesive, integrated approach to advancing environmental progress, identifying people-centered outcomes and system-specific results areas. Consistent with the GEF-9 Programming Directions, it places greater emphasis on measuring integration and captures key elements of GEF modernization. Beyond accountability, it provides critical data to inform strategic programming discussions.

Extending and Deepening Outcome Measurement

12. The GEF-9 RMF builds on the GEF-8 framework, retaining its indicators for reporting continuity while broadening its scope to better track socio-economic co-benefits and contributions to system change across environmental areas. It continues monitoring results in five environmental domains and integrates climate adaptation resilience into the grouping of indicators previously focused solely on climate mitigation, acknowledge the extent of this co-benefit. See Figure 8 for an overview of the GEF-9 RMF architecture. To ensure effective management, continuity and consistency of indicators across cycles is essential; thus, most indicators introduced since GEF-7 are recommended to remain in use through GEF-9.

Figure 8. The GEF-9 RMF



13. Advances in the GEF-9 RMF acknowledge inherent challenges in tracking environmental outcomes. Measuring ecological impact is complex, as improvements often manifest years after project completion. Similarly, socio-economic co-benefits typically arise as downstream effects of healthier ecosystems. Attributing outcomes to single investments is difficult in long-term, regional, multi-focal area processes supporting system change. Moreover, many GEF initiatives target policies, regulations, and management practices, which are often better captured through qualitative reporting than quantitative metrics.

Enhancing the Measurement of Environmental Areas

14. The GEF-9 RMF tracks five environmental areas. A careful review of the GEF-8 RMF indicates the continuous relevance of the vast majority of indicators, as well as the need to adapt and improve the measurement of some indicators, such as reducing plastic pollution, as well as to introduce new ones to better measure emerging priorities. In adopting new metrics, the Secretariat prioritizes those that can effectively drive action and impact through GEF financing. The following sections outline the rationale for indicator selection and classifies them by status (new, retired, or with targets). All will be reported through the Corporate Scorecard. For the Monitoring Report, each sub-indicator will be reported once projects begin reporting results.

■ *Conserving & Sustainably Using Biodiversity*

87. The RMF continues to include four core indicators covering key aspects of biodiversity conservation and sustainable use. It places greater emphasis on GEF's contribution to achieving Target 3 of the Kunming-Montreal Global Biodiversity Framework (KMGBF)—protecting 30 percent of the planet by 2030—through support for protected areas and other effective area-based conservation measures (OECMs). Conservation effectiveness in OECMs will be tracked and improved using a new measurement tool adapted from the Management Effectiveness Tracking Tool used for protected areas. Alignment with the KMGBF Monitoring Framework and development of additional GBFF indicators are underway, with potential to integrate some as ancillary indicators to enrich results analysis beyond the GEF-9 RMF, such as around the tracking of decreases in harmful subsidies. The new socio-economic co-benefit indicator tracking policy change will allow to measure the fair and equitable sharing of benefits from the utilization of genetic resources created or strengthened. Two sub-indicators are retired due to their very limited use and plan to capture these under other sub-indicators based on revised indicator definitions. A separate sub-indicator focused on improving the management of primary forests is presented under indicators tracking systemic change (see further below). The sub-indicator on forest loss avoided is broadened to cover all natural ecosystems, addressing its limited use and aligning with Goal A and Target 1 of the KMGBF, which call for safeguarding ecosystem integrity and reducing loss of high-value areas to near zero by 2030. Finally, disaggregation of support in marine areas beyond national jurisdiction will be enabled.

CONSERVING & SUSTAINABLY USING BIODIVERSITY	NEW	RETIRED	TARGET
Establish and improve the management of conservation areas			✓
Protected areas created (hectare, Marine | Terrestrial)			
Protected areas under improved management effectiveness (hectare, Marine | Terrestrial)			
OECM newly designated (hectare, Marine | Terrestrial)	✓		
OECM under improved management effectiveness (hectare, Marine | Terrestrial)	✓		
Biodiversity mainstreaming outside of conservation areas			
Area of landscapes under improved practices (hectare)			✓
- of which under improved management to benefit biodiversity (hectare)			
- of which under third-party certification incorporating biodiversity considerations (hectare)		✓	
- of which natural ecosystem loss avoided (hectare)			
Area of marine habitat under improved practices to benefit biodiversity (hectare)			✓
Fisheries under third-party certification (number)		✓	
People benefitting from the conservation, sustainable use, and/or restoration of biodiversity (number, disaggregated by sex, IPLC and youth)			

■ *Sustainably Managing and Restoring Land*

88. To complement tracking of restored land and ecosystems, the RMF elevates the existing sub-indicator 'Area of landscapes under sustainable land management in production systems' as a main Core Indicator, with its dedicated target. Already, a target for this indicator was reported on in GEF-8. This change speaks to the importance of sustainably improving soil health, water quality and overall ecosystem resilience in land used for agriculture and forestry. Separate information on the level of aridity of the landscape targeted would be tracked. The GEF-9 RMF also adds a new systemic indicator specifically targeting drought-prone areas, strengthening its focus on drylands. This will also allow to better capture important investment areas such as drought management. As the Programming Directions evolve, restoration will also be tracked in freshwater and marine ecosystems.

SUSTAINABLY MANAGING AND RESTORING LAND AND ECOSYSTEMS	NEW	RETIRED	TARGET
Area of land and ecosystems under restoration (hectare)			✓
– of which degraded agricultural land (hectare)			
– of which forest and forest land (hectare)			
– of which natural grass and woodlands (hectare)			

SUSTAINABLY MANAGING AND RESTORING LAND AND ECOSYSTEMS	NEW	RETIRED	TARGET
– of which wetlands and coastal ecosystems (including estuaries and mangroves) (hectare)			
– of which freshwater ecosystems (rivers, streams, and lakes)	✓		
– of which marine ecosystems (including coral reef, seagrass meadows)	✓		
Area of production landscapes under sustainable management (hectare)			✓
– of which agricultural crop lands			
– of which forest and forest land, woodlands	✓		
– of which savannas and grasslands, rangelands, and pastures	✓		
– of which wetlands and coastal areas	✓		
– of which in drylands (contextual)	✓		
People benefiting from sustainable land management and restoration investments (number, disaggregated by sex, IPLC and youth)			

■ *Advancing Climate Action*

89. The RMF integrates greenhouse gas reduction outcomes alongside climate resilience as co-benefits of investments with the LDCF/SCCF, reflecting the interconnected nature of mitigation and adaptation. It moves to recognize the adaptation benefits associated with multi-trust fund investments with LDCF/SCCF. The framework emphasizes measuring direct GEF-attributable emissions reductions, with a dedicated target, while separately reporting indirect reductions as ancillary benefits such as technology replication, policy impact, and some cases of reduced deforestation. This aligns with approaches of other environmental funds.

ADVANCING CLIMATE ACTION	NEW	RETIRED	TARGET
Greenhouse gas emissions mitigated (tonnes of co_2e)			✓
– of which directly mitigated			✓
– of which indirectly mitigated			✓
– of which carbon sequestered, or emissions avoided in the sector of Agriculture, Forestry and Other Land Use (AFOLU) (tonnes of co_2e)			
– of which emissions avoided outside AFOLU sector (tonnes of co_2e)			
Energy saved (megajoules)			
Increase in installed renewable energy capacity per technology (megawatt)			
People with strengthened climate resilience (number, disaggregated by sex, IPLC and youth)	✓		
People benefiting from climate change mitigation (number, disaggregated by sex, IPLC and youth)			

■ *Strengthening Transboundary Water Management*

90. Recognizing the critical importance of marine and freshwater ecosystems, the RMF tracks GEF support for transboundary collaboration, governance, and strategic investments, relying on qualitative governance effectiveness indicators – rather than focusing on processes. It focuses on restoring over-exploited marine fisheries and will develop new methods to track freshwater and groundwater ecosystem progress. The RMF will also measure results beyond national boundaries, as the Marine Biodiversity of Areas Beyond National Jurisdiction (BBNJ) agreement enters into force. Separately, guidance to track fisheries will be broadened to capture a larger array of unsustainable fisheries than is currently the case.

STRENGTHENING TRANSBOUNDARY WATER MANAGEMENT	**NEW**	**RETIRED**	**TARGET**
Shared water ecosystems under new or improved cooperative management (number)			✓
Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation (rating 1—4)			
Regional Legal Agreements and Regional Management Institutions to support its implementation (rating 1—4)			
National/Local reforms and active participation of Inter-Ministerial Committees (rating 1—4)			
Engagement in IW:LEARN through participation and delivery of key products (rating 1—4)			
Globally over-exploited fisheries moved to more sustainable levels (tonne)			✓
Large Marine Ecosystems with reduced pollution and hypoxia (number)			
People benefiting from transboundary water management (number, disaggregated by sex, IPLC and youth)			

■ *Reducing Pollution from Chemicals & Waste*

91. The GEF continues supporting policies to eliminate hazardous chemicals in industrial use, products, and waste, and to mitigate persistent organic pollutants and mercury emissions. The RMF will clarify reporting by elevating the indicator tracking materials containing harmful chemicals as a Core Indicator, subsuming the previous indicator tracking the weight of reduced chemicals and waste as a subset and providing the full extent of disaggregation across chemicals addressing requirements from the separate Stockhold and Minamata Conventions. This streamlines reporting while enhancing tracking of plastic waste and a broader range of harmful substances. Starting in GEF-9, disaggregation by specific chemicals, such as PFOS and known

endocrine disruptors, will be provided in editions of the Corporate Scorecard. During the development of the GEF-9 RMF Guidelines, indicator labels will be reviewed to ensure they accurately reflect the technical rigor embedded in their definitions.

REDUCING CHEMICALS AND WASTE	**NEW**	**RETIRED**	**TARGET**
POPs/Mercury containing materials and products directly avoided (thousand tonne)			✓
- of which chemicals of global concern and their waste reduced			
– of which POPs removed or disposed (POPs type) (tonne)			
– of which mercury reduced (tonne)			✓
– of which hydrochlorofluorocarbons reduced/phased out (tonne)			
– of which highly hazardous pesticides eliminated (tonne)			
Countries with legislation and policy implemented to control chemicals and waste (number)			
Low-chemical/non-chemical systems implemented, particularly in food production, manufacturing, and cities (number)			
Persistent organic pollutants to air reduced (grams of toxic equivalent)			✓
Countries with legislation and policy implemented to control emissions of POPs to air (number)			
Emission control technologies/practices implemented (number)			
Avoided residual plastic waste (tonne)			
People benefiting from reduced exposure to hazardous chemicals (number, disaggregated by sex, IPLC and youth)			

Better Tracking System Change

92. A core priority for the GEF is delivering lasting environmental outcomes that drive system change. Integrated approaches have been part of the portfolio since GEF-6 and have since expanded in scale, scope, and complexity. Managing such an ambitious portfolio requires clear metrics to track progress toward system transformation. In GEF-8, global coordination projects were introduced to monitor overall programs and identify common indicators. However, recent evaluations highlight persistent gaps in outcome tracking.[81]

93. Measuring contributions to system change is inherently challenging, both conceptually and practically. System change unfolds over longer timeframes than individual projects and cannot be attributed to any single intervention or organization. Outcomes arise from the actions of diverse agents –governments, companies, households, agencies – and are influenced by external factors like conflicts, health crises, climate events, and economic shifts. The GEF-funded Systems Change Lab at the World Resources Institute tracks and analyzes transformative environmental change

[81] GEF IEO, Evaluation of Components of the GEF's Results-Based Management System, GEF/E/C.68/03.

globally. Similarly, the Green Climate Fund captures progress toward achieving paradigm shift by assessing scale, replicability, and sustainability; elements tracked through the Sustainability criteria in the Terminal Evaluation of GEF-financed projects.[82] The Climate Investment Funds have refined their understanding of transformational change through their Learning Partnership, as has the GEF's Independent Evaluation Office (notably in OPS8). STAP's guidance has helped articulate strategies to deepen contributions to system transformation and establish measurement practices signaling progress toward these goals.[83]

94. To track the GEF's contribution to system change, the GEF-9 RMF introduces five indicator groupings aligned with the five interlinked systems targeted by Integrated Programs: Nature, Urban, Food, Energy, and Health. Each cluster includes key indicators that enable Integrated Programs and additional GEF programming to report tangible intermediary outcomes reflecting progress. While these indicators do not capture the full scope of the GEF's system change contribution, they point to the strategic direction of the GEF's investments in priority systems. Table 4 illustrates the desired transformation within each system, complemented by results indicators tracking both environmental outcomes and results from interventions supporting policy change, financial leverage and innovations. Indicators in this table are new and will be monitored with no portfolio-wide targets, other than the targets associated to them in existing Integrated Programs' results frameworks. They will be reported in the Corporate Scorecard systematically and through the Monitoring Report as data becomes available. Data will reflect contributions from Integrated Programs and, as appropriate, from broader programming. Agencies are encouraged to facilitate the uptake of these indicators by retroactively reflecting them in existing project results frameworks, as appropriate.

95. This approach mixes a focus on outcomes with elements that address key levers for change underpinning the design of Integrated Programs: governance, policies, financial leverage, innovation, and multi-stakeholder dialogue. The proposed indicators reflect the core logic of intervention underpinning GEF's integrated programming approach—supporting systemic transformation by addressing the root causes of environmental degradation across interconnected systems. Together, these indicators can serve as proxies to offer a coherent, targeted, and manageable way to signal progress toward the systemic transformations embedded in GEF-9 priorities. Each indicator focuses on a material outcome that signals progress toward system shifts targeted by GEF financing.

- *Strengthening and safeguarding natural capital -- Protecting, restoring and valuing nature, shifting incentives for sustainability:* Integrated programming safeguards critical ecosystems by expanding the area of primary forests under effective conservation

[82] GCF, Integrated Results Management Framework, 2021, GCF/B.29/14; GEF, Evaluation Policy, GEF/ME/C.56/02/Rev.01.
[83] STAP, *STAP's Initial Perspective on GEF-9*, GEF/STAP/C.68/Inf.02

management and, increasing human-wildlife coexistence, improving drought management and marine areas. These outcomes are central to maintaining the ecological integrity and governance that underpin natural capital.

Table 4. Tracking the Contribution to Transformational Change along Systems

INDICATORS	NEW	RETIRED	TARGEt
STRENGTHENING AND SAFEGUARDING NATURAL CAPITAL			
Primary forest area under enhanced conservation management (ha)	✓		
Enabling policies and financial frameworks supporting primary forests under implementation	✓		
Communities with a positive shift in perception toward human-wildlife coexistence (percent)	✓		
Resilience of drought-prone landscapes enhanced through sustainable land management (ha)	✓		
ADVANCING URBAN SUSTAINABILITY AND RESILIENCE			
Cities with strengthened capacity for sustainable, integrated planning, policies and investments (nb)	✓		
TRANSFORMING FOOD SYSTEMS			
Farmers adopting agroecological or regenerative practices practices (nb, disagg. by sex, IPLC and youth)	✓		
Policy and regulatory frameworks under implementation supporting nature-positive food systems (number)	✓		
DRIVING THE TRANSITION TO CLEAN INDUSTRIES			
Industrial and agricultural entities adopting pollution-reducing sustainable practices (nb)	✓		
ENSURING HUMAN HEALTH			
Avoided residual plastic waste (tonne)			

- *Advancing urban sustainability and resilience – Integrating urban planning, with better governance, policies, and sustainable investments:* Urban transformation hinges on strengthened city capacity to plan, implement, govern and invest in nature-positive, climate-resilient, and pollution-free development pathways. Tracking cities with improved integrated planning capabilities captures this enabling shift.

- *Transforming food systems for interconnected benefits – Improving food value chains through policies, sustainable practices, innovation, and finance:* Transforming food systems requires widespread adoption of regenerative and resilient agricultural practices. Tracking policy reforms and resource flows at national level, and monitoring farmers using these practices reflects livelihood shifts at scale—key markers of systemic change.
- *Driving the transition to clean industries:* Clean and circular supply chains are critical to shifting global production and consumption systems. Tracking supply chains that have transitioned to pollution-free practices reflects progress toward new industrial models driving innovation and reducing environmental pressures.
- *Ensuring human health -- Reducing exposure to pollution and extreme climate events:* Preventing plastic pollution directly reduces exposure risks, especially for vulnerable communities. Measuring avoided residual plastic waste captures both environmental and indirect health benefits aligned with GEF's circularity objectives. Support for establishing drought early warning systems prevents adverse effects on human health, minimize economic losses, and protect assets.

15. To better measure Integrated Programs' contribution to system change, the GEF is introducing the Program Progress Monitoring Report (PPMR), an annual report submitted by the Program Lead Agency.[84] The PPMR is more than a conduit for results report; it needs to bolster a catalyst for program progress by honing on the key components and levers that shape program implementation. It promotes a shift from traditional reporting toward outcome-focused management, combining narrative explanations with quantitative updates from child projects. Narrative reporting captures indirect pathways and illustrates how system-level actions drive environmental outcomes, reinforcing common objectives and fostering shared ownership of program delivery. Over time, the PPMR will enable continuous adaptive learning, allowing reflection and mid-course corrections. It will also build a repository of effective cases and lessons for sharing with program managers and stakeholders. Together, the GEF-9 RMF and PPMR aim to transform linear results-based management into a dynamic system-monitoring approach that values learning and leverages external data throughout a program's duration.

Tracking Socio-economic Co-benefits

96. The interplay between humans, livelihoods, and the planet's health is fundamental. Over recent years, the GEF has taken significant steps to strengthen its focus on socio-economic co-benefits in the projects and programs it finances. Building on groundwork laid in GEF-8, the Healthy Planet, Healthy People framework underpins the GEF-9 Programming Directions, embracing whole-of-society approaches. Operationally, this recognizes that achieving

[84] See GEF, Policy Amendments to Streamline the GEF Project Cycle, GEF/C.69/12.

environmental outcomes both supports and depends on socio-economic benefits, which are integrated across GEF-9's integrated programs, focal areas, and strategic initiatives.

97. The GEF-8 RMF advanced this vision by expanding socio-economic co-benefits measurement through five indicators tracking direct beneficiaries across environmental areas, disaggregated by sex—up from one in GEF-7. This enables assessment of differentiated impacts on women and girls. Strengthened guidelines (GEF/C.62/Inf.12/Rev.01) clarify how Agencies and countries should ensure projects track only direct beneficiaries. Additionally, the SGP 2.0 results framework introduced tracking of grants to women-led groups, Indigenous Peoples, and youth.

98. Portfolio analyses by the GEF Secretariat and IEO confirm the importance of socio-economic co-benefits in project design and results frameworks, but highlight a need to improve reporting mechanisms to better demonstrate the GEF's broader societal impact. Livelihoods, capacity, and women's empowerment show the largest coverage of co-benefits.[85] Through its own work and in response to IEO's evaluation on socio-economic co-benefits, the Secretariat committed to two key actions under the GEF-9 RMF to better target key groups and highlight priority co-benefits.

99. First, the GEF-9 RMF will allow to better account for advances toward whole-of-society progress through enhance disaggregation. It will enhance monitoring of GEF financing results for IPLCs, women and youth across people-centered indicators. This approach provides detailed disaggregation by these key demographics, improving visibility and delivering a more nuanced picture of beneficiaries and outcomes aligned with their priorities. Effective monitoring will uphold IPLCs' rights to self-determination, free, prior, and informed consent, cultural integrity, and protection of sensitive information. This effort may use existing stakeholder engagement mechanisms with IPLCs for the purpose of monitoring and reporting.

100. Second, the GEF-9 RMF introduces three new standard indicators aggregating the GEF's contribution to socio-economic co-benefits. Guided by the GEF-9 Programming Directions, which emphasize livelihoods, women's empowerment (see Box 2), and policy support, this development is also informed by portfolio analyses and agency practices. While two people-centered indicators offer concrete measures of empowerment and development, a policy change indicator will track improvements in the enabling environment. The previously envisioned indicator on resilience is now a part of the Advancing Climate Action cluster. Definitions for each of these indicators will be developed, clearly specifying the criteria and scope to ensure consistent measurement. Narrative analysis will complement quantitative reporting. The new indicators include:

[85] See Table 2 in GEF, *Tracking and Measuring the Socio-economic Co-benefits of GEF Investments*, GEF/C.66/12, and Figure 6 in GEF IEO, *Evaluation of the Socioeconomic Co-Benefits of GEF-Funded Interventions*, GEF/E/C.69/03.

- *People with improved livelihoods.* This additional indicator tracks the number of men and women reporting increased income and/or access to additional sources of revenue resulting from environmentally sustainable project activities. This indicator will be disaggregated by sex, IPLC and youth.
- *Women empowered and participating in environmental and natural resource management.* This new metric captures results including the protection of human capital, access to jobs, services, financial mechanisms, technology, economic benefits, ownership and control of land, participation and leadership in decision-making bodies. This indicator will be disaggregated by sex, IPLC and youth.
- *Legal and regulatory framework for environmental sustainability under implementation.* This approach mainstreams existing sub-indicators under Chemicals and Waste, extending their application across all programming areas. Each policy will be assigned to a dedicated focal area, environmental theme or integrated area of focus.

SOCIO-ECONOMIC CO-BENEFITS	NEW	RETIRED	TARGET
People with improved livelihoods (number, disaggregated by sex, IPLC and youth)	✓		
Women empowered and participating in environmental and natural resource management (number, disaggregated by IPLC and youth)	✓		
Legal and regulatory framework for environmental sustainability under implementation (number)	✓		

Box 2. From tracking gender mainstreaming to women's empowerment outcomes

The implementation of the Gender Equality Policy is shifting from mainstreaming processes toward delivering measurable women's empowerment outcomes. Since GEF-7, GEF projects and programs increasingly demonstrate how gender analyses and targeted actions shape concrete results. Independent evaluations and Secretariat reporting confirm that gender considerations are now embedded early in project design, informing risk assessments, shaping project components, and guiding the development of gender action plans and outcome-level indicators. As all projects include gender action plans (GAPs), the review of projects in GEF-8 moved away from ensuring compliance with the policy toward ensuring that specific actions addressing identified inequalities drive transformative change for women and girls. Looking ahead, the GEF-9 RMF raises the bar by monitoring progress in achieving women's empowerment outcomes throughout the project cycle with a dedicated new indicator. The RMF also continues to disaggregate data by sex wherever feasible, particularly for people-centered indicators.

101. Geospatial analysis provides a novel approach for GEF stakeholders to monitor socio-economic co-benefits. By geo-referencing project activities, the GEF Geospatial Platform (thegef.org/maps) visualizes where beneficiaries of GEF financing are located, overlaying this with satellite imagery that highlights environmental progress and improvements in well-being.

Currently, the platform maps over 2,000 projects across 8,200 unique locations. In GEF-9, geospatial analysis will be further refined by encouraging Agencies to submit polygon data in addition to point coordinates. This level of detail would enable more robust ex-post analysis of changes in ecological conditions, which often unfold over longer time horizons than project duration, also drawing from country M&E systems.

Aligning Metrics with the Modernization Drive

16. The GEF is undertaking major modernization efforts to improve the quality, speed, and scale of its financing. Implementing the GEF-9 policy actions has implications for tracking progress both within the RMF and beyond, such as through the Corporate Scorecard. The three indicator groups structuring Tier 2 – project speed, portfolio management and adaptation, and co-financing – will continue to be tracked.

17. Tier 2 progress data reported annually in the Annual Monitoring Report focus on fiscal-year-specific values, highlighting recent advances, identifying trends, and informing actions. Reporting uses a three-color "traffic light" system to assess the overall portfolio status and flag projects falling outside standards, helping guide the GEF Partnership and incentivize delivery. The following sections outline the rationale for indicator selection and classifies them by status (new, retired, or with a monitoring threshold). All will be reported through the Monitoring Report.

■ *Enhancing the Speed of Operations*

102. The current indicators tracking portfolio speed remain fit for purpose, covering the full project cycle from CEO endorsement to completion and Terminal Evaluation. However, the recent increase in the Medium-Sized Project (MSP) ceiling narrows the distinction between MSPs and Full-Sized Projects (FSPs), as larger MSPs now generally match the typical five-year duration of FSPs. Consequently, separate indicators for MSPs and FSPs should be consolidated. Additionally, revising the Mid-Term Review (MTR) indicator to measure time from first disbursement (actual implementation start) rather than CEO endorsement will better reflect implementation speed and avoid penalizing delayed starts that proceed on schedule. This change would enhance the indicator's accuracy and relevance.

ENHANCING THE SPEED OF OPERATIONS	NEW	RETIRED	THRESHOLD
Time from CEO endorsement / approval to first disbursement below 18 months			✓
Time from CEO endorsement to mid-term review submission below 4 years			✓
Project age below 6 years	✓		✓
MSP age below 4 years		✓	
FSP age below 6 years		✓	
Completed projects with a timely Terminal Evaluation			✓

■ *Enhancing Strong Portfolio Management and Adaptation*

103. The indicators effectively track project implementation, financial performance, and proactive management throughout the cycle. They provide a balanced view of disbursement progress, outcome ratings, portfolio responsiveness, and timely financial closure, supporting strong oversight. Like the speed indicators, consolidation of MSP and FSP disbursement balance indicators is warranted due to the MSP ceiling increase, simplifying the framework while maintaining monitoring effectiveness.

ENHANCING PORTFOLIO MANAGEMENT AND ADAPTATION	NEW	RETIRED	THRESHOLD
Disbursement ratio of ongoing portfolio			✓
Projects rated in the satisfactory range for both Implementation Progress and Development Objective			✓
Projects rated in the satisfactory range for Implementation Progress			✓
Projects rated in the satisfactory range for Development Objective			✓
Proactivity index			✓
Project with disbursement in the past year			✓
Over 50% disbursed balance after 5 years of project implementation	✓		✓
Over 50% disbursed balance after 3 years of implementation for MSPs		✓	
Over 50% disbursed balance after 5 years of implementation for FSPs		✓	
Projects with financial closure after Terminal Evaluation submission			✓
Projects financially closed on time in the last year			✓

■ *Increasing Co-financing across the Portfolio*

104. The indicators under the co-financing cluster remain relevant and appropriate, as they capture the realization or disbursement of expected co-financing at key project milestones—mid-term and completion—which is critical to leveraging resources and achieving intended results. These indicators will continue under the GEF-9 RMF.

INCREASING CO-FINANCING ACROSS THE PORTFOLIO	NEW	RETIRED	THRESHOLD
Co-financing materialized higher than 35% at MTR			✓
Co-financing materialized higher than 80% at Terminal Evaluation			✓

Driving Accountability and Strategic Action

Enhancing Results Reporting and Strategic Oversight

105. As a premier environmental finance institution, the GEF is committed to demonstrating that its investments deliver measurable development outcomes. Building on past cycles, quantified and time-bound targets for a focused set of Core Indicators will guide GEF-9 implementation, spelling out its desired level of impact and underscoring key impact areas aligned with the GEF-9 vision. Target estimates for GEF-9 underpin this effort.

106. Reflecting the GEF Secretariat's matrix structure by region and environmental area, these targets will cascade through implementation, supported by regular monitoring to drive performance and foster accountability and ownership. This approach aims to incentivize improvement, accelerate implementation, and set strategic priorities. Two corporate reports guide this process: the Annual Monitoring Report, providing detailed results and portfolio analyses, and the Corporate Scorecard, delivering a biannual strategic overview by region, focal area, program, and Agency, while tracking cross-cutting initiatives. GEF-9 enhancements will align with Policy Directions and related recommendations, including plans to increase public access to results through a dynamic dashboard allowing stakeholders to track progress by region and country in real time.

107. To strengthen the GEF-9 RMF as a communication tool, Annual Monitoring Report presentation will be enhanced to more prominently highlight annual results, while continuing to report cumulative progress across the GEF cycle. In addition to focusing on actual results – as introduced in GEF-8 – the report will also present the stock of expected results. Combining these approaches provides a more comprehensive view of the GEF portfolio, offering insight into the trajectory of results in coming years and reflecting the growing ambition of recent GEF phases. This dual focus will enhance internal alignment around key outcomes and improve the external communication of the GEF's objectives, indicators, and measures of success.

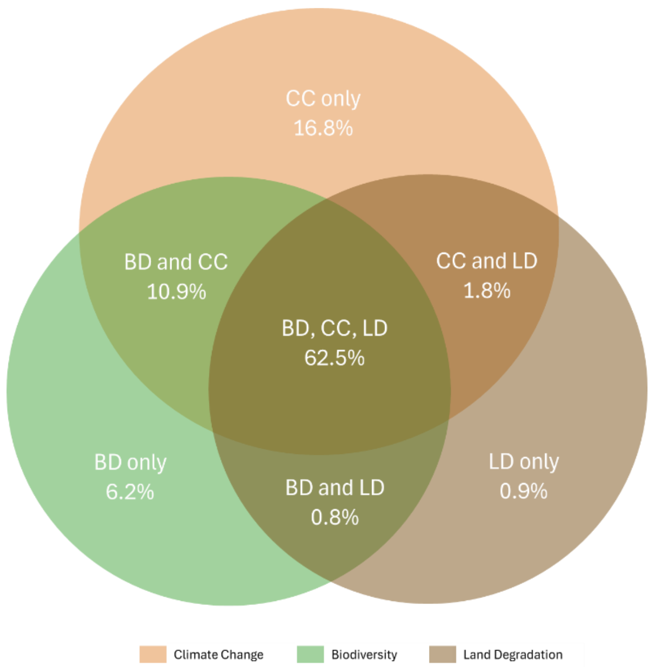
108. Broader reporting through the Corporate Scorecard and other platforms will incorporate improvements in co-financing measurement to better capture the joint and parallel co-financing that directly contributes to project outcomes, including by distinguishing public and private contributions. While this may reduce overall reported co-financing by excluding co-financing at large with limited linkage to GEF projects, it will improve clarity on joint results and the attribution of outcomes to the GEF and its co-financiers. No retroactive adjustments are planned for projects approved before this change, in line with the practice observed to date to account mainly for results from joint co-financing.

109. Corporate Scorecard reporting will also reflect implementation of policy actions, including adjustments for the move to a one-step project modality, where Council reviews and approves projects and their targets at CEO endorsement. This change in project modality may delay the

tracking of progress to results targets as these will become formally set and approved at CEO endorsement stage, as opposed to PIF stage today.

110. Tracking of OECD-DAC Rio Markers for Biodiversity, Land Degradation, and Climate Change is expected to continue, highlighting overlaps where multiple markers apply. Figure 9 presents the share of financing for projects and programs marking at least one Rio Marker – Biodiversity, Desertification (Land Degradation), or Climate Change (reflecting both Adaptation and Mitigation markers) – as principal or significant, including the overlaps where multiple markers apply. The Corporate Scorecard will also track portfolio data on support directed to Indigenous Peoples and local communities (IPLCs), and Civil Society Organizations (CSOs).

Figure 9. GEF-8 financing targets multiple Rio Markers



Enabling Effective Implementation

111. Key policy actions supporting GEF-9 RMF implementation focus on two main areas: ‘Agile and Effective Implementation’ and ‘Augmented Access and Empowered Countries.’ These measures seek to enhance project readiness, accelerate start-up, and strengthen executing entity capacity for efficient, impactful results. Structured portfolio reviews, including at the country level, will enable proactive oversight and adaptive management. Streamlining project preparation via a one-step modality will prioritize strong project design and further integration of private sector in project development will support more durable and higher results. Capacity building for executing entities through the Country Engagement Strategy may also include results measurement. A whole-of-society approach encourages participatory monitoring in sensitive contexts (see Box 3), engaging local stakeholders to improve data relevance, capture ground

realities, and foster ownership. Together, these actions aim to elevate implementation quality and portfolio performance in support of GEF-9 objectives.

Box 3. Measuring Results in Fragile and Conflict-affected Situations

Measuring results in fragile and conflict-affected situations (FCS) presents significant and complex challenges due to volatile environments and often limited or weakened institutional capacity. Insecurity and violence frequently hinder fieldwork and data collection, making the direct measurement of outcomes particularly difficult and sometimes unreliable. Consequently, greater emphasis on process indicators is often necessary to track incremental progress, capture early signs of change, and adapt strategies as conditions evolve. Participatory monitoring—engaging civil society organizations, Indigenous Peoples, local communities, and third parties—is vital for enhancing transparency, accountability, and a nuanced understanding of local contexts and dynamics. Their involvement builds trust and legitimacy, which are critical foundations for effective implementation and sustainable impact in fragile settings. The GEF's guidance underscores flexibility, innovation, and collaboration in designing and adapting M&E frameworks to these contexts, with the goal of advancing environmental progress.

112. The GEF has established robust systems for managing project data through its Portal, enhancing data quality and governance. The Portal tracks project results, co-financing, milestones, and policy implementation, while capturing narrative updates from Agencies. Implementation and completion modules ensure consistent monitoring, supporting data-driven analysis and reporting. This data feeds into Country Agency Factsheets, enabling countries to program new projects and monitor portfolio progress. Automated reporting to the International Aid Transparency Initiative (IATI) further boosts global transparency, with the GEF being the only climate and environmental fund reporting through IATI, as confirmed by a recent independent assessment.[86] Further progress in making results data available to the public will take place in GEF-9. Additionally, the Policy on Communication and Visibility and the Knowledge Management and Learning Strategy strengthen results management by promoting transparency, sharing lessons, and improving knowledge uptake to enhance project design and delivery.

[86] Publish What You Fund, *Better Data for Better Outcomes: How Climate Funds Can Enhance Transparency*, April 2024.

IV. MANAGING RISK TO OUTCOMES

113. Reassessing risk appetite levels is central to improving how environmental projects are managed and ensuring the continuous validity of the GEF Risk Appetite approved in early 2024. The framework underpinning the risk appetite statement allows to develop risk profiles into every project and work program, fostering a risk-aware culture across the partnership. This risk framework encompasses Context, Innovation, and Execution, balancing uncertainties with innovative solutions and effective execution. This section addresses the evolution of the Risk Appetite which could include differentiated appetite tolerance levels for Fragile and Conflict-affected Situations, while ensuring transparency and informed governance. This section also articulates a multi-tiered risk management system aiming to anticipate, monitor, and address elevated risks proactively, safeguarding objectives and delivering sustainable environmental outcomes.

Reassessing Risk Appetite Levels

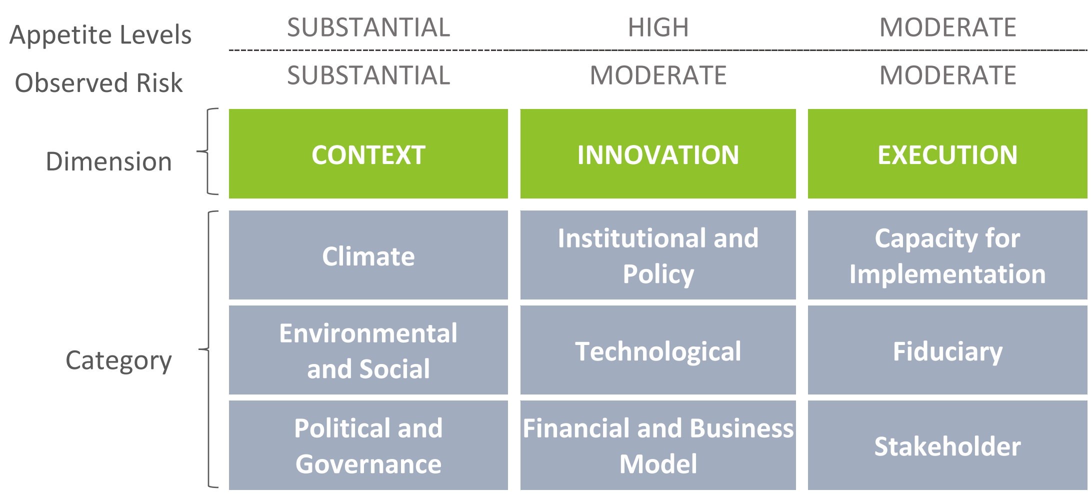
114. To realize the ambitious vision of the GEF-9 Programming Directions under the Healthy Planet, Healthy People framework, the GEF must embrace various forms of risk. The establishment of the GEF Risk Appetite in early 2024 marked a significant milestone in fostering a risk-aware culture across the partnership. Since then, a risk profile has been included in every Work Program across the family of funds and in the Annual Monitoring Report, covering the portfolio under implementation. This profile gauges residual risk to outcomes after accounting for mitigation measures. The risk framework comprises three dimensions—Context, Innovation, and Execution—where Context captures risks in the operating environment; Innovation addresses the balance between risk and innovation; and Execution covers financial management, institutional capacity, and stakeholder engagement.

115. Implementation of the GEF Risk Appetite shows that risk appetite levels are met across two of the three dimensions. The GEF Council assigned risk appetite levels as Substantial for Context, High for Innovation, and Moderate for Execution. To date, risk assessments at the Project Identification Form (PIF) stage align with these levels for Context and Execution—both marked Substantial and Moderate respectively—but Innovation risks are assessed as Moderate, below the High appetite level (see Figure 10).

116. This gap between stated risk appetite and observed risk can be explained by methodological and practical factors. Methodologically, *residual* risk (after mitigation) is rated, rather than *inherent* risk. Thus, even high-risk innovative technologies are expected to have mitigations lowering the overall rating. Practically, while innovation was central to GEF-8 Programming Directions, average innovation risk was not expected to be high. Moreover, by the time the Risk Appetite Statement was introduced, most GEF-8 Integrated Programs, many already embedding

innovation, were approved. This context helps explain the lower Innovation risk level observed. Additionally, Agencies maintain their own risk management practices, which do not always encourage high-risk investments. In GEF-9, mainstreaming innovation across programming, a high share of integrated approaches, and scaled-up blended investments will collectively support a strong risk appetite for innovative solutions.

Figure 10. Risk Appetite Levels and Revealed Risk at Concept Stage in GEF Work Program



117. Drawing on experience and considering the mainstreamed innovation focus in GEF-9, a possible way forward would be to retain the current risk appetite levels while considering the introduction of a risk tolerance band for specific portfolio segments, to be discused by Council. This tolerance band could apply to Context and Execution dimensions, whereas Innovation risk remains unconstrained. Given the strategic importance of Fragile and Conflict-affected Situations (FCS) and their unique challenges, it is proposed for Council consideration that FCS countries be allowed a higher risk tolerance—High risk for Context and Substantial risk for Execution on average. This approach enables the GEF to pursue transformative investments in high-need areas where environmental outcomes are most at risk, while accepting greater uncertainty in the pursuit of environmental outcomes. Such a differentiated risk strategy strengthens risk management by ensuring elevated risks are anticipated, transparently monitored, and addressed through targeted mitigation and informed governance, rather than avoided. This approach would be applied concurrently with enhanced flexibility in FCS and related options to suspend or cancel projects, where appropriate and needed, as well as provide an opportunity to enhance conflict-sensitive guidance and measures.

Strengthening Risk Management

118. Risk ownership and active management within the GEF Partnership is a shared responsibility. Agencies are the primary actors overseeing operational risk management,

supervising project implementation, including disbursing resources to Executing Entities, monitoring progress, and commissioning audits. The Trustee's role is limited to providing project financing to Agencies upon request, focusing on facilitating financial flows without involvement in risk management. Since the GEF primarily funds grants rather than loans or equity investments and does not accept donor loan or capital contributions, it holds no financial assets or liabilities typical of balance sheets. Consequently, traditional financial risks like credit or market exposure do not apply, although programmatic and operational risks remain central to oversight.

119. The GEF Secretariat supports Council's oversight by providing regular updates on implementation risks to outcomes. It engages bilaterally with Agencies and countries through structured exchanges focused on key indicators to promote portfolio progress and enable course corrections. These discussions are based on evidence from Agencies' annual Project Implementation Reports (PIRs) and Mid-Term Reviews (MTRs). In PIRs, Agencies provide updated overall risk ratings, disbursement progress, and likelihood of outcome achievement. MTRs offer a full risk profile aligned with the GEF Risk Appetite framework. This risk information feeds into internal reports accessible via the GEF Portal.

120. Escalation mechanisms exist across the partnership, and the Secretariat is committed to strengthening proactive risk oversight in GEF-9. Per GEF Minimum Fiduciary Standards, Agencies maintain systems such as project-at-risk mechanisms that flag projects facing challenges likely to compromise objectives, triggering timely corrective actions. Agencies also have dedicated portfolio monitoring units separate from day-to-day project management, operating under enterprise risk frameworks that assign clear escalation responsibilities. These frameworks ensure material risks are promptly elevated through governance channels. Agencies further uphold their own accountability mechanisms and comply with the GEF grievance policy. Together, these layers create a robust system for timely and effective risk escalation, which will be reinforced through more structured engagement in GEF-9.

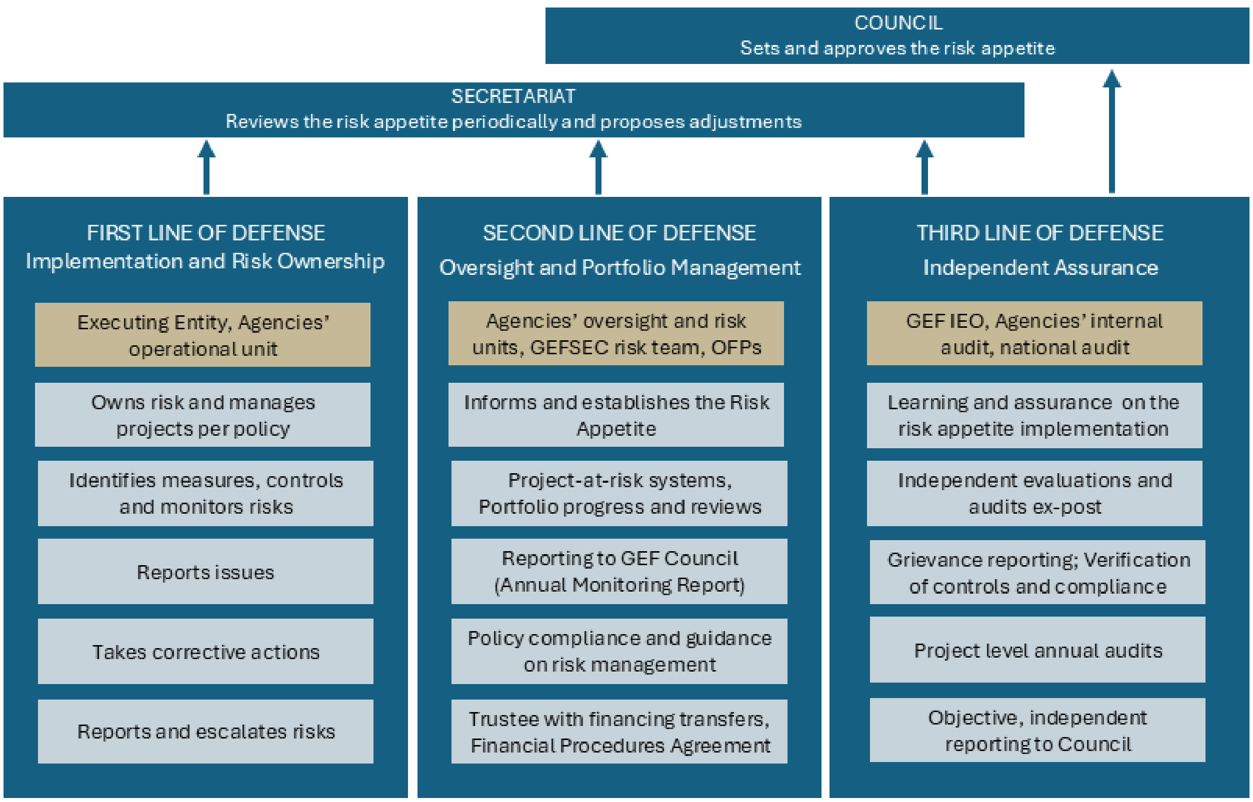
121. Operating under a delegated authority model, the GEF's multi-tiered risk management system is structured as a three-lines-of-defense model spanning the Secretariat, GEF Agencies, and Executing Entities (illustrated in Figure 11):

- *First line of defense.* GEF Agencies and Executing Entities share responsibility for identifying and managing operational risks during daily project delivery. They handle fiduciary risks, ensure compliance with *safeguards* and controls, maintain updated risk profiles, implement mitigation measures, and systematically report issues.

- *Second line of defense.* Within each Agency, specialized oversight units, independent from project teams, provide portfolio-wide monitoring, fiduciary supervision, and risk management support. The GEF Secretariat also acts in this capacity by conducting proactive portfolio reviews, identifying at-risk projects, and facilitating corrective dialogue with Agencies and countries. It supports Council oversight by delivering risk assessments, early warnings, and highlighting systemic issues requiring strategic attention or policy action.

- *Third line of defense.* Independent assurance mechanisms – including internal audits and evaluations across countries, Agencies, and the GEF – offer objective assessments of risk exposure and policy compliance. These mechanisms inform governance bodies, ensuring transparency, accountability, and enabling corrective action and risk escalation as needed.

Figure 11. GEF's Three Lines of Defense Model and Risk Appetite



122. Ultimately, enhancing the Risk Appetite Statement and strengthening risk management frameworks are crucial to fostering a balanced approach that encourages innovation while protecting the GEF's objectives. By clearly defining acceptable and ambitious risk levels tailored to specific contexts and embedding robust oversight mechanisms, the GEF can better anticipate challenges, make informed decisions, and deliver sustainable environmental outcomes with increased assurance.

CONCLUSION AND THE WAY FORWARD

123. The Replenishment represents a strategic investment to steer a positive course and mobilize finance to address environmental degradation. With its unique mandate and global reach, the GEF is well placed to support countries. The policy actions presented in this paper would enable the GEF to maximize the environmental outcomes of its financing across the GEF-9 Programming Directions.

124. In this document, the GEF recognizes a range of areas where it needs to do better to be fit-for-purpose and maximize its ability to use the additional Replenishment resources effectively. Under GEF-9, the GEF will work to implement 'The Five As'. It will enhance its effectiveness and future readiness by accelerating and streamlining delivery, ensuring faster and more responsive support. It will scale and optimize financing to enhance affordability and impact. Implementation will become more agile and results-driven, improving responsiveness to emerging challenges. Access would be expanded, empowering countries with greater ownership and capacity. Finally, a strengthened architecture and oversight framework could reinforce transparency, accountability, and long-term sustainability.

125. This third and final version of this paper features a fully developed set of policy actions shaped by Participants' guidance and inputs, along with negotiated Policy Recommendations. It translates priorities expressed for STAR and the GEF-9 Results Measurement Framework into, respectively, concrete allocation mechanisms with country group simulations and measureable results indicators, as well as clear revisions of the GEF risk appetite and framework.

126. Extensive consultations and analyses addressing Participants' feedback inform the refinement of each policy action. In addition to advanced policy actions, this final version of the Policy Directions document for GEF-9 provides a finalized reporting process, progress measures for each policy action and check-in points with Council during GEF-9.

ANNEX A. GEF-9 POLICY RECOMMENDATIONS: SUMMARY AND IMPLEMENTATION TIMELINE

GEF-9 policy actions will provide a comprehensive, innovative and ambitious path to modernizing the GEF. They build on incremental policy achievements of earlier periods and take a more step-wise and holistic approach. There are three elements to the presented actions: first, a set of policy enhancements structured around the Five As, five priority policy areas to enable the implementation of GEF-9 Programming Directions; second, improvements to the System for Transparent Allocation of Resources; and, finally, a set of improvements to measure and manage for results.

The list of policy actions to undertake is listed in Table A. They include not only clearly defined actions, but also specific time-bound deliverables. The impact of these actions will be assessed against expected outcomes identified and quantified for each action where appropriate. This list should be read together with the accompanying main Policy Directions document which spells out the actual policies requiring adjustments under the Council's authority. While the GEF Secretariat will be at the initiation of most actions, achieving this ambitious policy agenda will require the joint effort of the Trustee, countries and Agencies, under the guidance and authority of the GEF Council.

The GEF Secretariat will implement robust mechanisms for reporting on implementation of the policy actions. First, the GEF-9 Corporate Scorecard will allow monitoring programming trends and progress. Second, the GEF Secretariat will track and report to the Council on the implementation of the policy recommendations referenced in the table below at mid-term and during the last year of GEF-9. This will provide more granularity and transparency, allowing a clearer picture of where progress along the policy recommendations is taking place, including through a risk-based approach that highlights areas requiring enhanced attention or mitigation.

The policy recommendations reflect the outcomes of negotiations among GEF-9 Replenishment Participants on all elements of GEF programming and strategic direction, as well as the specific policy measures deliberated throughout the replenishment process. They are are also informed by the findings of OPS8 and contributions from Observers and other stakeholders.

Table A. GEF-9 Policy Recommendations[87]

POLICY ACTION	EXPECTED OUTCOME
ACCELERATED AND STREAMLINED DELIVERY (OBJECTIVE 1)	
a. Facilitate access to finance across funds with fewer modalities	
▌By **mid-2026**, the GEF draws on GBFF lessons to inform the accelerated project approval modality development. ▌By **mid-2027**, the Council considers for approval a proposal for policy updates enabling an accelerated project approval modality. ▌By **mid-2027**, the PIF template is retired and replaced by a simplified request for Project Preparation. ▌By **mid-2027**, streamlined Project Preparation Requests are approved on a rolling basis by the GEF Secretariat. ▌By **mid-2027**, the Council considers for approval a simplified approach to preparing Enabling Activities. ▌By **2028**, full projects under the accelerated project approval modality are presented for Council approval on a rolling basis. ▌By **2028**, the GEF mainstreams a single, accelerated project modality across funds	▌By **2030**, all standalone projects approved are using the accelerated project approval modality.
b. Streamlining Agencies' internal processes	
▌By **2028**, a progress update on internal Agency measures is shared with Council. ▌By **2028**, GEF Agencies implement internal streamlining measures for processing GEF funding.	▌By **2028**, delays in reaching CEO Endorsement are reduced, accelerating project preparation and disbursement.
c. Better tracking early project ideas	
▌By **2027**, criteria to enter into the pipeline are clarified and reflected in GEF Portal. ▌By **2027**, the GEF enables OFPs or Agencies to record early-stage project discussions in the GEF Portal.	▌By **2027**, a dynamic pipeline of investments will improve visibility into upcoming programming and funding flows.
d. Introducing time standards for Agencies	
▌By **2027**, the GEF Secretariat introduces a maximum time standard for both GEFSEC and Agencies to resubmit projects.	▌By **2028**, the GEF Partnership observes improved review processes and accelerated approvals.
e. Harmonize Agency fees and commitment schedule	
▌By **2027**, the GEF harmonizes Agency fees by setting a 9% maximum uniform fee rate and applies flexibility in Project Management Costs. ▌By **2028**, the GEF Council decides on options to differentiate levels of PMC and Agency fee by investment size and type.	▌By **2028**, this effort will streamline processes, reduce complexity, heighten cost efficiency and ensure a level playing field among Agencies.
f. Upgrade and align the GEF IT systems for higher efficiency	
▌By **mid-2028**, processes and workflows in the GEF Portal reflect GEF-9 policy decisions, with user-centred design principles guiding all enhancements.	▌By **2029**, an enhanced Portal levels the playing field among Agencies and supports collaboration.

[87] Dates throughout refer to the beginning of the calendar year, unless otherwise indicated.

POLICY ACTION	EXPECTED OUTCOME
AFFORDABILITY AND SCALED FINANCE (OBJECTIVE 2)	
g. Mainstreaming blended finance to increase private sector mobilization, efficiency and reach	
▌By **2027**, the Council considers for approval updates to the NGI policy and other relevant policies to enable the mainstreaming of blended finance. ▌By **2027**, the GEF Secretariat mainstreams blended finance through private sector engagement and by integrating NGIs into a more flexible, streamlined project cycle and enabling access to funding sources across the GEF Trust Fund to be supported by the removal of project size cap and calls for proposals, and reliance on a unified accelerated project approval modality, along with flexible project-level financing arrangements and approach to uphold country ownership. ▌By **mid-2028**, the Council will consider a mid-term assessment of the Blended Finance Global Program, including its incentive mechanism. ▌By **2028**, the Trustee updates Financial Procedure Agreements with Agencies to give greater flexibility to NGI implementation and liquidity management, pending need assessment and contingent on Agencies' concurrence.	▌By **2027**, this will enhance private capital mobilization, increase operational efficiency, and expand the scalability of investments.
h. Enhancing co-financing transparency and effectiveness	
▌By **2027** a new Co-Financing Policy clarifies co-financing types (joint, parallel, coordinated) and sources (public and private), improve reporting consistency, and strengthen guidance for private capital mobilization, clarifying also that joint co-financing will mainly count toward the co-financing ratio and estimated expected results.	▌By **2027**, this will amplify leverage, the quality of financing and achievement of environmental outcomes.
AGILE AND EFFECTIVE IMPLEMENTATION (OBJECTIVE 3)	
i. Increase project readiness	
▌By **2027**, the GEF updates project templates reflecting requirements and assessments of project implementation arrangements during preparation, ensuring clear governance and disbursement plans before full project approval, clarifying the flow of funds and steps required to reach project start promptly.	▌By **2028**, this will reduce start-up delays and improve project readiness, while upholding quality.
j. Accelerating the implementation start of pending projects	
▌By **2027**, the Council considers for approval an update to the Cancellation policy requiring project cancellation for projects breaching a 30-month threshold. ▌By **2027**, the GEF enhances the monitoring of timelines for projects to reach first disbursement, enforcing cancellation for breaching the 30-month threshold.	▌By **2028**, this will accelerate project start-up, improve fund utilization, and maintain alignment with country priorities.
k. Strengthening executing entity capacity for faster implementation	
▌By **2027**, the GEF ensures that projects templates capture capacity building support in executing entities when relevant and in application of Agencies' purview in this area.	▌By **2028**, this will enhance executing agencies' skills and systems, accelerating implementation and improving project effectiveness.

POLICY ACTION	EXPECTED OUTCOME
l. Formalizing portfolio review for stronger oversight	
▌By **2027**, the Council considers for approval an update to the Monitoring policy, formalizing portfolio engagement with Agencies. ▌By **2027**, the GEF formalizes portfolio engagement through clear frequency, digital tools and ad hoc mission participation, ensuring that bilateral exchanges not only address issues ex-post but act as an early warning system for proactive resolution.	▌By **2028**, this will strengthen portfolio oversight, enable timely identification of challenges, and improve performance tracking.
m. Enhance flexibility for projects in FCS	
▌By **mid-2028**, the GEF enhances flexibility, where relevant, in FCS by adapting timelines, budgets, and engagement, notably with the implementation of the accelerated project modality and during implementation, and as reflected in project templates.	▌By **2028**, this will improve project relevance, effectiveness, and sustainability while supporting adaptive and risk management.
n. Risk-based approach to fast-tracking project management	
▌By **2028**, the GEF implements a risk-based approach to fast-track low-risk projects through simplified and expedited processes as approved by Council.	▌By **2027**, options to be identified and presented for Council discussion. ▌By **2029**, this will increase efficiency by reducing delays for simpler projects while maintaining oversight of high-risk initiatives.
AUGMENTED ACCESS AND EMPOWERED COUNTRIES (OBJECTIVE 4)	
o. Expanding Agency cohort through open, cross-fund and targeted accreditation	
▌By **2027**, the partnership expansion process is submitted for Council approval, building on GEF/C.69/05-Rev1, with implementation start at the start of GEF-9. ▌By **mid-2027**, the assessment process for new Agencies will be completed, followed by Council approval and legal and operational arrangements to be carried out by the Trustee and the Agencies. ▌By **2028**, the GEF expands its Agency cohort through open, cross-fund, and targeted accreditation processes to include new entities, including to ensure identified new Agencies have experience with SIDS, LDCs, the private sector and IPLCs.	▌By **2029**, this will enhance the Partnership's reach, improve complementarity with other environmental funds, and increase access for specialized organizations and underrepresented regions.
p. Enhancing financing to IPLCs, women and youth	
▌By **mid-2027**, the GEF updates the *2012 Principles and Guidelines for Engagement with Indigenous Peoples*. ▌By **mid-2027**, the Council considers for approval a pilot approach for no-objection for IPLC-led projects. ▌By **2027**, the GEF shares portfolio data on support to IPLCs in the Corporate Scorecard. ▌By **2028**, the GEF refines financing mechanisms, policies and guidelines to ensure their responsiveness to IPLCs, women, and youth.	▌By **2028**, this will empower specific groups, support their rights and knowledge systems, and ensure their voices are integral to decision-making processes.
q. Promoting Country Platforms to boost private and public investments	
▌By **2027**, the GEF promotes and supports Country Platforms as coordinated national frameworks to enhance collaboration among MDBs, the private sector, other financiers and the society at large.	▌By **2027**, This will strengthen strategic engagement, enable whole-of-government reforms, and mobilize large-scale investments aligned with national priorities.

POLICY ACTION	EXPECTED OUTCOME
▌By **2028**, financial arrangements allow Country Platforms to operate with GEF support.	
r. Ensuring an active and diverse GEF Partnership	
▌By **2027**, a formula to operationalize the portfolio cap will be established and communicated to Agencies; It will apply a cumulative 25 percent ceiling per Agency. ▌By **2027**, the GEF Portal will include automated tracking and alerts to signal when an Agency is nearing the cap. A monitoring dashboard will be made available to Agencies with regular information updates on portfolio status and implications for future programming. ▌By **2027**, the GEF requires Agencies to limit their portfolio share to a maximum of 25 percent and will apply a notional minimum target of 25 percent for MDBs across the portfolio.	▌By **2027**, this will promote a more active and balanced Partnership, encouraging greater engagement from MDBs and other Agencies.
s. Promoting National Steering Committees	
▌By **2028**, sensitization mechanisms clarifying how to set up National Steering Committees and good practice examples will be provided to support their establishment. ▌By **2028**, the GEF will support the implementation of National Steering Committees that include multiple ministries and stakeholders to coordinate GEF activities.	▌By **2028**, this will foster a whole-of-government and whole-of-society approach.
t. Enhancing OFP capacity and supporting engagement in projects	
▌By **2027**, the GEF will enhance OFP capacity by providing dedicated training, technical assistance, and resources to support their active engagement in project oversight and coordination.	▌By **2027**, this will strengthen OFP participation, improve project supervision and reporting.
APPROPRIATE ARCHITECTURE AND REPRESENTATION (OBJECTIVE 5)	
u. Advancing governance through the establishment of a dedicated working group	
▌By **2027**, the GEF Council sets up an ad hoc Working Group on the evolution of the GEF architecture and oversight, with Terms of Reference that include clear deliverables, milestones and timelines.	▌By **2028**, the updated GEF architecture is refined and in place.
SYSTEM FOR TRANSPARENT ALLOCATION OF RESOURCES	
▌The methodology, data and operationalization of the GEF-9 STAR are updated to include: • refinements to the Global Benefits Indices for Biodiversity, Land Degradation and Climate Change, and data updates to all existing indices and sub-indices; • the introduction of a Vulnerability Index (combined with the existing GDP index), an increase in the weight of the GDP Index, the introduction of higher floors for SIDS/LDCs, and the ringfencing of a share of STAR resources to SIDS/LDCs to better support countries with special needs; • the introduction of a Disbursement Index, and an expansion of the competitive window to the top 10 recipient countries (excluding any SIDS or LDCs) with a thematic focus on Whole-of-Government approaches, relying on 12 percent of the	▌From July **2026**, countries start programming activities based on predictable and known allocation levels. ▌By the **end of GEF-9**, all STAR resources are fully programmed.

POLICY ACTION	EXPECTED OUTCOME
allocations of the eligible countries, to enhance the focus on portfolio performance and efficient use of GEF resources; • a mid-term review of GEF-9 STAR utilization to potentially develop measures to incentivize timely programming; and • full flexibility for country programming across the three STAR focal areas, with continued tracking of OECD-DAC Rio Markers.	
RESULTS MANAGEMENT FRAMEWORK	
By **mid-2026**, countries and Agencies start programming along the GEF-9 RMF.	By **2027**, the GEF reports results along the enhanced and expanded GEF-9 Results Management Framework through the Monitoring Report and GEF-9 Corporate Scorecard.
MANAGING RISK TO OUTCOMES	
By **2027**, the Council will consider a revised GEF Risk Appetite, including the implementation and monitoring of a risk tolerance band under the Context and Execution risk dimensions in FCS, with additional focus on situations of fragility and conflict.	By **2027**, improved risk management and oversight in FCS settings, enabling more informed and tailored support.
By **mid-2026**, the GEF Secretariat monitors through the Rio Marker methodology that, over the GEF-9 period, funding commitments meet the following minimum thresholds: 60% for biodiversity, 50% for desertification, 80% for climate change-related investments, including at least 45% for adaptation and 65% for mitigation.	By **2027**, balanced and strategic allocation of GEF resources aligned with global environmental priorities and GEF-9 programming is ongoing.

ANNEX B. OVERVIEW OF FORMULAS OF EXISTING PERFORMANCE-BASED ALLOCATION SYSTEMS

Institution/Fund	Needs Factors						Performance	
	Benefit		**Country income**		**Vulnerability**		**Governance**	**Portfolio Performance**
African Development Bank (AfDB)	Pop^{1}	x	$GNIpc^{-0.125}$	x	$AIDI^{-0.25}$	x	$0.2AfDB\_CPIA_{(A-C)}+0.58*AfDB\_CPIA_{D}+0.06AfDB\_CPIA_{E}+0.16PP$	
Asian Development Bank (ADB)	$Pop^{0.60}$	x	$GNIpc^{-0.25}$			x	$[(ADB\_CPIA_{(A-C)})^{1.4}*(ADB\_CPIA_{D})^{2}*(PP)^{0.6}]^{2}$	
Caribbean Development Bank (CDB)	logPOP	x	$GNIpc^{-0.9}$	x	MVI^{2}	x	$(0.7CDB\_CPIA + 0.3PP)^{2}$	
Global Environment Facility (GEF)	$GBI^{0.8}$	x	$GDPpc^{-0.16}$			x	$0.65CPIA_{C} + 0.15CPIA_{D} + 0.2PP$	
International Development Association (IDA)	Pop	x	$GNIpc^{-0.125}$			x	$(0.24CPIA_{(A-C)} + 0.68CPIA_{D}+ 0.08PP)^{3}$	
Inter-American Development Bank (IADB)	$Pop^{0.5}$	x	$GNIpc^{-0.125}$			x	$(0.7CIPE + 0.3*PP)^{2}$	
International Fund for Agriculture (IFAD)	$RuralPop^{0.405}$	x	$GNIpc^{-0.265}$	x	$IVI^{0.95}$	x	$(0.35RSP +0.65PAD)^{1}$	

ADB_CPIA = ADB assessment using the CPIA questionnaire and guidelines
AIDI = African Infrastructure Development Index
CIPE = Country Institutional and Policies Evaluation
GBI=Global Benefits Index
$CPIA_B$ = Rating of CPIA cluster B - Structural Policies
$CPIA_C$ = Rating of CPIA cluster C - Policies for Social Inclusion (In the GEF formula, $CPIA_C$ represents the criteria 11 in cluster C: Policies and Institutions for Environmental Sustainability)
GDPpc = GDP per capita
IVI = IFAD Vulnerability Index
MVI = Multidimensional Vulnerability Index
POOR = Number of "poor" persons in the country
RSP = Rural Sector Performance

AfDB_CPIA= AfDB assessment using the CPIA questionnaire and guidelines
CBD_CPIA = CBD assessment using the CPIA questionnaire and guidelines
CPIA = Country Policy and Institutional Assessment from the World Bank
$CPIA_A$ = Rating of CPIA cluster A - Economic Management
$CPIA_{(A-C)}$ = $CPIA_{(A-C)}$ is the average of the ratings of CPIA clusters A to C
$CPIA_D$ = Rating of CPIA cluster D - Public Sector Management and Institutions
GNIpc = GNI per capita
Pop = Population
PAD = Portfolio Performance and Disbursement
RuralPop = Rural Population