

GEF Bulletin



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## Summary of the 65th Meeting of the Global Environment Facility Council: 10 October 2023

With growing urgency to address the triple planetary crisis of climate change, biodiversity loss, and pollution, the pivotal role and work of the Global Environment Facility (GEF) is attracting increasing interest within and beyond the environmental community. Following historic decisions taken at the <u>64th</u> <u>Council meeting</u> and the <u>Seventh GEF Assembly</u>, Members met in a virtual setting for the 65th Council meeting to conclude unfinished business carried forward from the Council meeting.

The 64th Council meeting was dominated by lengthy negotiations on the establishment of the Global Biodiversity Framework Fund (GBFF) and on preparing the GEF to serve as part of the financial mechanism for the new international legally binding implementing agreement, under the UN Convention on the Law of the Sea (UNCLOS), on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ Agreement). This busy agenda left limited time for substantive discussions on three items, which were deferred to this meeting:

- GEF Strategy for Knowledge Management and Learning;
- · Enhancing Policy Coherence through GEF Operations; and
- Relations with the Conventions and Other International Institutions.

On the GEF Strategy for Knowledge Management and Learning, Council Members supported and approved the Strategy, its objectives, and its strategic directions. They also encouraged the Secretariat to engage with Agencies and the Scientific and Technical Advisory Panel (STAP) in facilitating implementation of the Strategy. Members further expressed support for stronger references to Indigenous and traditional knowledge. Moreover, they highlighted the need to harmonize the Strategy with existing funds, such as the Green Climate Fund.

On enhancing policy coherence through GEF operations, Council Members endorsed the outlined approach and requested the Secretariat to work along the proposed action areas. Some Members stressed the need to consider countries' special circumstances and sovereignty. They further discussed whether the GEF should play the role of a central international data repository on the nature financing gap.

On relations with GEF-related environmental Conventions and other international institutions, Council Members welcomed the relevant report and requested that the GEF network continue to work with Convention secretariats and recipient countries to create synergies and assume a more pronounced role in financing



Carlos Manuel Rodríguez, GEF CEO and Chairperson

sustainability transitions in line with the GEF's expanding mandate.

Council Members further decided on the dates and modalities for the 66th-68th Council meetings to be held in 2024. They also finalized the composition of the risk appetite statement Working Group, which will begin deliberations in the week following the conclusion of the 65th Council meeting, which convened in a virtual format on 10 October 2023.

## A Brief History of the GEF

Originating with a 1989 proposal by France to formulate financing responses to mounting concern over global environmental problems, the GEF was established as a

#### In This Issue

A Brief History of the GEF
Report of the 65th Meeting of the GEF Council
Learning
Operations
International Institutions
Upcoming Meetings
Glossary

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pilot program in 1991 through arrangements between three "implementing agencies," the World Bank, the UN Development Programme (UNDP), and the UN Environment Programme (UNEP), to be housed in and administered by the World Bank. Its purpose was to provide concessionary and additional funding for the incremental costs of achieving global environmental benefits, with an initial endowment of around USD 1 billion. By 1994, developing countries' calls for democratic decision making, to replace the World Bank's weighted voting system based on the share of the Bank's capital stock held by each member country, resulted in the GEF's restructuring in March 1994, where representatives of 73 countries adopted a new GEF Instrument. With this restructuring, the GEF became a separate institution, hosted but not administered by the World Bank. The GEF operates as a key mechanism for global environmental funding, with its Implementing Agencies now numbering 18.

The GEF's organizational structure includes:

- an Assembly that meets every four years;
- a Council that meets twice a year;
- a Secretariat;
- a STAP, which was established in 1995 and provides independent advice to the GEF on its work as well as assistance in the delivery of Members' responsibilities; and
- an Independent Evaluation Office (IEO), which was created in 2003 and supports the improvement of accountability and learning in GEF strategies and operations through its evaluations.

The organization's main decision-making body is the GEF Council, which includes both donor and recipient countries and is responsible for developing, adopting, and evaluating the GEF's operational policies and programs. Meeting twice a year, it is composed of 32 appointed Council Members, each representing a constituency, that is, a group of either donor or recipient countries.

The GEF Assembly, which has convened seven times between 1998 and 2023, is the main guiding structure for the GEF, comprising 186 member governments. It provides a forum for discussion leading up to replenishment negotiations and is responsible for reviewing and ratifying Council recommendations.

The GEF is funded by donor countries, which commit money every four years through a process called the GEF replenishment. Since its creation in 1991, the GEF Trust Fund has been replenished with: USD 2.75 billion (GEF-1); USD 3 billion (GEF-2); USD 3.13 billion (GEF-3); USD 3.13 billion (GEF-4); USD 4.34 billion (GEF-5); USD 4.43 billion (GEF-6); and USD 4.1 billion (GEF-7). In June 2022, the GEF Council endorsed GEF-8, totaling more than USD 5 billion, for the four-year period (2022-2026), and which is over 30% higher than GEF-7.

The GEF also administers the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund, which were established under the UN Framework Convention on Climate Change (UNFCCC), as well as provides secretariat services to the Adaptation Fund, established by Parties to the Kyoto Protocol.

In addition, the GEF serves as a financial mechanism for several multilateral environmental agreements (MEAs), including the: Convention on Biological Diversity (CBD); UNFCCC; UN Convention to Combat Desertification (UNCCD); Stockholm Convention on Persistent Organic Pollutants (POPs); and Minamata Convention on Mercury. The Seventh GEF Assembly adopted amendments to the GEF Instrument for it to also serve the new BBNJ Agreement under UNCLOS. In addition, the GEF's work focuses on sustainable forest management, international waters, ozone layer depletion, and other areas.

Summaries of ENB coverage of past GEF Council and Assembly meetings can be found at: <u>enb.iisd.org/negotiations/</u> global-environment-facility-gef.

#### Report of the 65th Meeting of the GEF Council

Carlos Manuel Rodríguez, GEF CEO and Chairperson, opened the meeting by congratulating Council Members on the successful Seventh GEF Assembly that took place in Vancouver, Canada, in August 2023. He further recapitulated that this 65th Council meeting had been tasked to deal with three agenda items that were carried over from the 64th meeting in June 2023.

#### Adoption of the Agenda

Elected Chairperson Tom Bui, Canada, welcomed Members with a Ban Ki-moon quote: "We don't have a Planet B, so let's take good care of this one." He then introduced the provisional agenda (<u>GEF/C.65/01</u>), which was adopted with no amendments.

#### GEF Strategy for Knowledge Management and Learning

Mohamed Bakarr, GEF Secretariat, presented the relevant document (<u>GEF/C.65/03</u>). He recalled that the GEF has been engaged in knowledge management for more than a decade, and that the ongoing GEF restructuring provides a unique opportunity to systematize its work on knowledge management and learning. The strategy revolves around three main objectives: embedding knowledge into investments; increasing knowledge flows; and creating environments for learning and capacity building.

Council Members voiced general support for the Strategy, its objectives, and its strategic directions. Multiple Members queried the timeline for and modalities of implementing the Strategy. Many supported including stronger references to Indigenous and traditional knowledge, as well as stressing the importance of accessibility and inclusivity in sharing best practices. A few Members highlighted that learning from failures and challenges was as equally relevant as sharing positive experiences. Moreover, there was general agreement on the need to harmonize the strategy and its action areas, including the establishment



Mohamed Bakarr, GEF Secretariat

of a new knowledge and collaboration platform, with existing instruments and funds such as the Green Climate Fund.

Sano Akhteruzzaman, Chair, GEF Civil Society Organization (CSO) Network, welcomed the Strategy as an important element of GEF-8's whole-of-society approach; recommended that knowledge management should be a part of every project; and asked the Secretariat to provide agencies and partners with a uniform presentation template to increase the GEF's visibility.

Responding to comments, Bakarr expressed the GEF's desire to move quickly towards implementation and affirmed his intention to take comments and feedback into account during the implementation stage.

Subject to minor amendments, Members adopted the decision.

**Decision:** In its Decision 23/2023, the Council approves the strategic directions proposed for knowledge management and learning, and encourages the GEF Secretariat to engage with Agencies and the STAP in facilitating implementation of the Strategy.

#### **Enhancing Policy Coherence through GEF Operations**

Sonja Teelucksingh, GEF Secretariat, presented the document (<u>GEF/C.65/04</u>), emphasizing that in order to close the gap for nature financing, both increasing financial flows from multiple sources and reducing financial needs will be required. She stressed that enhancing policy coherence by promoting mutually reinforcing actions that create synergies has been recognized at the GEF-8 replenishment and underscored the need for a whole-of-government approach.

Sano Akhteruzzaman, Chair, CSO Network, called for further efforts to ensure systematic promotion of policy coherence, including that policies are well-understood, communicated, and implemented. He suggested mainstreaming policy coherence at the national level and developing a set of special indicators for the GBFF.

Many Members expressed support for the approach, noting that enhancing policy coherence will increase the efficiency and sustainability of GEF projects, maximizing benefits of GEF investments. Some further stressed that policy coherence is key to strengthening national policies, optimizing streams, and aligning public and private investments.

Some Members underscored the need to consider countries' special circumstances and sovereignty. A Member queried how promotion of policy coherence will be reflected in the work to



Sonja Teelucksingh, GEF Secretariat



Parameswaran lyer, Council Member, India

support the revision of National Biodiversity Strategies and Action Plans (NBSAPs). Members further discussed whether the GEF should play the role of a central international data repository on the nature financing gap.

Some Members suggested further work on assessing a policy coherence index into future System for Transparent Allocation of Resources (STAR) models, noting it could increase the complexity of the STAR formula and introduce subjectivity in the results. Some Members noted that GEF-9 negotiations should not be prejudged, suggesting adding relevant language to the draft decision. Following discussions, Council Members agreed that such an explicit reference in the draft decision was unnecessary given that such practice is implicit in GEF processes.

A couple of Members highlighted the link with the Strategy on Knowledge Management, emphasizing the importance of private sector and civil society engagement. One Member urged measuring implementation status in real time with a quantifiable set of indicators, and further addressing South-South cooperation.

Juha Ilari Uitto, Director, IEO, noted that "policy coherence is on the IEO's radar screen," adding that incorporating policy coherence in the Work Program is a work in progress.

Responding to comments, Teelucksingh highlighted, among other things: the GEF-8 engagement strategy's renewed vision for interactions at the national level and GEF's work with Members; the development of indicators for policy coherence that can be measured across a project's lifecycle; limitations that may arise due to national sovereignty; links with the agenda on knowledge management; and the selection process for pilot countries.

GEF CEO and Chairperson Rodríguez reminded Council Members that the ultimate goal is to help countries align their legal frameworks with the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework (GBF), and goals and targets on chemicals. He stressed that the Secretariat is planning an international conference on GBF Target 18 (harmful subsidies) with the CBD Secretariat.

**Decision:** In its Decision 24/2023, the Council endorses the outlined approach and requests the GEF Secretariat to work along the outlined action areas.

# *Relations with the Conventions and Other International Institutions*

As had been previously agreed, the document relating to this agenda item ( $\underline{GEF/C.65/05}$ ) was not introduced since



Emilie Wieben, Council Member, Denmark

it had already been the subject of a special meeting of the Executive Secretaries of pertinent conventions at the Seventh GEF Assembly. Elected Chairperson Bui opened the floor for comments.

With regards to the GEF's involvement in climate policy under the UNFCCC, Members: stressed the crucial importance of aligning the GEF's work with that of the Green Climate Fund and the Climate Investment Funds to create synergies; underscored the GEF's vital contribution to the preparation of Biennial Transparency Reports under the Paris Agreement and its support for the Capacity-building Initiative for Transparency; acknowledged the GEF's input into ongoing deliberations concerning the establishment of a loss and damage fund; and highlighted GEF contributions to adaptation planning.

In relation to the CBD, many acknowledged the GEF's crucial role in resource mobilization efforts. One Member voiced concern that the recently established GBFF must attract further pledges to reach the target of USD 200 billion in annual biodiversity funding mentioned in the GBF.

Some Members highlighted developments under the UNCCD, including the GEF's role in battling sand and dust storms as well as drought. Moreover, various Members applauded the GEF's involvement in the ongoing negotiations towards a treaty on plastic pollution as well as its role in chemicals regulation.

More generally, many underscored the crucial need to simplify access to finance across different areas and instruments. One Member also inquired about the current state of the GEF restructuring process in light of the Facility's growing role.

Responding to comments, Chizuru Aoki, GEF Secretariat, outlined the GEF's work across different instruments beyond efforts highlighted in document GEF/C.65/05. On the GEF restructuring, GEF CEO and Chairperson Rodríguez reported that the new GEF Director would be announced soon and that organizational reforms were dearly needed since the Secretariat is "maxed out" with respect to its capacities.

**Decision:** In its Decision 25/2023, the Council welcomes the report and requests the GEF network to continue to work with recipient countries to reflect the guidance and national priorities in their GEF programming and activities.



William Ehlers, GEF Secretariat

#### **Other Business**

William Ehlers, Secretary to the Council, GEF Secretariat, introduced the proposal for the dates and modalities for the 66th-68th Council meetings. Following discussions among Council Members, it was decided that the 66th Council meeting will take place from 5-9 February 2024 and the 67th Council meeting from 17-21 June 2024. Both meetings will take place in-person in Washington DC, with the possibility for virtual participation. The 68th Council meeting will take place virtually from 16-20 December 2024.

Claude Gascon, GEF Secretariat, followed up on the recommendation to develop a risk appetite statement. He announced that the Secretariat had proposed creating a working group on this issue, noting the relevant communication with Members for nominations. He further stressed that the first meeting of the Working Group will take place the week following the 65th Council meeting to agree on terms of reference and on an approach document. Thus far, he emphasized that no nominations had been received from recipient countries and invited further nominations until the first meeting of the working group. India volunteered to participate in the working group's deliberations.

**Decisions:** In its Decision 26/2023, the Council decides on the dates of the 66th-68th Council meetings as detailed above.



GEF CEO and Chairperson **Carlos Manuel Rodríguez** (upper left) thanked participants for a productive session. The meeting was closed at 11:38 am, Eastern Standard Time Zone.

In its Decision 27/2023, the Council notes that Parameswaran Iver (India) nominated himself for the working group. Ben Green (the UK), Richard Bontjer (Australia), Tom Bui (Canada), Vitor Bahia (Brazil), and Gabriela Blatter (Switzerland) have already been nominated. The Decision also added that both Bui and Blatter have left their participation open to allow other recipient Council Members to participate if they so desire.

### Summary of the Co-Chairs and Closing of the Meeting

GEF CEO and Chairperson Rodríguez presented the summary of the Co-Chairs of the 65th Council meeting, which was approved by Members without further comments. He thanked outgoing Elected Chairperson Bui for his service throughout the past year. They both thanked Council Members for a productive session and closed the meeting at 11:38 am Eastern Standard Time.

## **Upcoming Meetings**

**CBD SBSTTA 25:** The 25th meeting of the Subsidiary Body on Scientific, Technical and Technological Advice of the CBD will take place in October 2023. **dates:** 15-19 October 2023 **location:** Nairobi, Kenya www: <u>cbd.int/meetings/SBSTTA-25</u>

Minamata Convention COP5: The COP will consider, among other things, amendment proposals to ban cosmetics, fluorescent lighting, and dental amalgam containing mercury. dates: 30 October - 3 November 2023 location: Geneva, Switzerland www: minamataconvention.org/en/meetings/cop5

**Fourth Nature for Life Hub 2023:** This event will showcase opportunities to accelerate action on the GBF and place nature at the heart of development. The Hub aims to bring together governments, civil society, academia, and the private sector to exchange knowledge and solutions, promote collaboration and partnerships, and raise awareness and countries' ambitions to deliver NBSAPs. The Nature for Life Hub is hosted by UNDP, UNEP, and the CBD Secretariat. **dates:** 7-9 November 2023 **location:** virtual **www:** <u>learningfornature.org/wp-content/</u> <u>uploads/2020/07/Nature-for-Life-Hub-Invitation-2023-final-1.pdf</u>

**CBD WG8j-12 and WG DSI-1:** The 12th meeting of the *Ad Hoc* Open-ended Working Group on Article 8(j) will address: implementation of the priority tasks of the multi-year programme of work on Article 8(j) and related provisions; the knowledge management component of the GBF; the joint programme of work on the links between biological and cultural diversity; and the recommendations of the UN Permanent Forum on Indigenous Issues. The first meeting of the *Ad Hoc* Open-ended Working Group on Benefit-sharing from the Use of Digital Sequence Information (DSI) on Genetic Resources will focus on further developing and operationalizing the multilateral mechanism for benefit-sharing from the use of DSI on genetic resources. **dates:** 12-18 November 2023 **location:** Geneva, Switzerland **www:** cbd.int/meetings/WG8J-12, www.cbd.int/meetings/WGDSI-01

**2023** UN Climate Change Conference: The Conference comprises: COP 28 to the UNFCCC; the fifth meeting of the COP serving as the Meeting of the Parties (MOP) to the Paris Agreement (CMA 5); the 18th meeting of the COP serving as the MOP to the Kyoto Protocol (CMP 18); and the 59th meetings of the Subsidiary Body for Implementation (SBI 59) and the

Subsidiary Body for Scientific and Technological Advice (SBSTA 59). Among other things, COP 28 will conclude the first Global Stocktake of the implementation of the Paris Agreement. **dates:** 30 November - 12 December 2023 **location:** Dubai, United Arab Emirates **www:** <u>cop28.com/en/</u>

**Barcelona Convention COP23:** The Barcelona Convention entered into force in 1978 and formulates as its main objectives the control of marine pollution, the sustainable management of the seas and coasts, the integration of environmental issues into social and economic development, and the protection of natural and cultural heritage in the Mediterranean Sea. **dates:** 4-8 December 2023 **location:** Portoroz, Slovenia **www:** <u>unep.org/</u> <u>unepmap/who-we-are/barcelona-convention-and-protocols</u>

**OEWG2:** The second session of the *ad hoc* Open-ended Working Group on a science-policy panel to contribute further to the sound management of chemicals and waste and to prevent pollution (OEWG 2) will continue work commenced at OEWG1-1 and OEWG1-2 in October 2022 and February 2023, respectively. **dates:** 11-15 December 2023 **location:** Dead Sea, Jordan **www:** <u>unep.org/events/conference/oewg-2-sciencepolicy-panel-contribute-further-sound-management-chemicalsand</u>

66th GEF Council: The GEF Council will continue its work developing, adopting, and evaluating the operational policies for GEF-financed activities. It will also: review and approve the work program (projects submitted for approval); focus on relations with environmental conventions; address monitoring and evaluation; and approve criteria, standards, and priorities for programmatic approaches **dates:** 5-9 February 2024 **location:** Washington D.C., US **www:** <u>thegef.org/who-we-are/gef-council/</u> <u>council-meetings</u>

For additional upcoming events, see sdg.iisd.org/

### Glossary

BBNJ Agreement	International legally binding instrument under UNCLOS on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction
CBD	Convention on Biological Diversity
CSO	Civil society organization
GEF	Global Environment Facility
GBF	Global Biodiversity Framework
GBFF	Global Biodiversity Framework Fund
IEO	Independent Evaluation Office
NBSAPs	National Biodiversity Strategies and Action Plans
STAP	Scientific and Technical Advisory Panel
STAR	System for Transparent Allocation of Resources
UNCCD	UN Convention to Combat Desertification
UNCLOS	UN Convention on the Law of the Sea
UNFCCC	UN Framework Convention on Climate Change