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INVESTING IN OUR PLANET



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GEF-7 REPLENISHMENT

PROGRAMMING DIRECTIONS

(PREPARED BY THE SECRETARIAT)

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List of acronyms

ABNJ: Areas beyond national jurisdiction
ABS: Access and benefit sharing protocol
AfDB: African development bank
APEC: Asia-Pacific economic cooperation
ARPA: Amazon region protected areas
ASGM: Artisanal and small-scale gold mining
ASL: Amazon sustainable landscapes program
BIOFIN: Biodiversity finance initiative
BUR: Biennial update report
C&W: Chemicals and waste
CACILM: Central Asian countries' initiative for land management
CAFI: Central Africa initiative
CARPE: Central African regional program for the environment
CBD: Convention on Biological Diversity
CBIT: Capacity-building Initiative for Transparency
CBNRM: Community based natural resources management
CCCD: Cross-cutting capacity development program
CE: Circular economy
CGF: Consumer goods forum
CIF: Climate investment fund
CITES: Convention on international trade in endangered species of wild fauna and flora
CO₂: Carbon dioxide
COMIFAC: Central African forests commission
COP: Conference of the parties
COP-MOP: The conference of the parties serving as the meeting of the parties
CPB: Cartagena protocol on biosafety
CPIC: Coalition for private investment in conservation
CRIC: Committee to review the implementation of the convention
CSO: Civil society organisation

CSP: Country support program
CTCN: Climate technology center and network
CWR: Crop wild relatives
DDT: Dichlorodiphenyltrichloroethane
ECOFAC: Regional program for the conservation & rational utilization of forest ecosystems in central Africa
EEZ: Exclusive economic zone
ESA: European space agency
ESG: Environmental, social and corporate governance
ESOP: Employee stock ownership plan
E-waste: Electrical and electronic waste
FAO: Food and Agriculture Organization
FINTECC: Finance and technology transfer center for climate change
FReSH: Food reform for sustainability and health
FSP: Full sized project
GCF: The green climate fund
GCIP: Global cleantech innovation program
GDP: Gross domestic product
GEBS: Global Environmental Benefits
GEF: Global environment facility
GEF-4: Global Environment Facility fourth replenishment period
GEF-5: Global Environment Facility fifth replenishment period
GEF-6: Global Environment Facility sixth replenishment period
GEF-7: Global Environment Facility seventh replenishment period
GEFSEC: Global environment facility secretariat
GHG: Greenhouse gas
GIZ: German development agency
GloBallast: Globallast partnership program
GPS: Global positioning system
GPSC: Global platform for sustainable cities
GSIA: Global sustainable investment alliance

GW: Giga watt	MEA: Multilateral environmental agreement
GWP: Global partnership on wildlife conservation and crime prevention for sustainable development program	MFA: Multi focal area
Habitat III: The United Nations conference on housing and sustainable urban development	Mha: Million hectares
HBCD: Hexabromocyclododecane	MIA: Minamata convention initial assessment
HBDE: Hexabromodiphenyl ether and heptabromodiphenyl ether	MNA: Middle East North Africa
HCB: Hexachlorobenzene	MPA: Marine protected areas
HCFC: Hydrochlorofluorocarbons	MSP: Medium sized project
HCV: High conservation value	MT: Megaton
HFC: Hydrofluorocarbon	NAP: National action program
HHP: Highly hazardous pesticides	NBF: National biosafety framework
IAP: Integrated approach pilot	NBSAP: National biodiversity strategy and action plan
IAS: Invasive alien species	NC: National communication
ICLEI: International council for local environmental initiatives	NDC: Nationally determined contribution
IEO: Independent evaluation office	NGI: Non-grant-instrument
IFC: International finance corporation	NGO: Non-government organization
IMO: International maritime organization	NIP: National implementation plan
INDC: Intended nationally determined contribution	NO_x: Nitrogen oxides
IP: Impact program	NPK: Nitrogen, phosphorus and potassium
IPCC: Intergovernmental panel on climate change	NUA: New urban agenda
IUCN: International union for conservation of nature	ODP: Ozone depletion potential
IUU: Illegal, unreported, unregulated	ODS: Ozone depleting substances
IW: International waters	OECD: Organization for economic co-operation and development
IW-LEARN: International waters learning exchange & resource network	OPS: Overall performance study
KBA: Key biodiversity area	PA: Programmatic approach
LD: Land degradation	PBDE: Polybrominated diphenyl ethers
LDC: Least developed country	PCB: Polychlorinated biphenyl
LDCF: Least developed countries fund	PCBS: Polychlorinated biphenyls
LDN: Land degradation neutrality	PCCD/PCDF: Polychlorinated dibenzo-p-dioxins and dibenzofurans
LME: Transboundary large marine ecosystems	PCN: Polychlorinated naphthalenes
M&E: Monitoring and evaluation	PCP: Pentachlorophenol and its salts and esters
MA: The millennium ecosystem assessment	PeCB: Pentachlorobenzene
MAT: Mutually agreed terms	PES: Payment for ecosystem services
	PFD: Programmatic framework document
	PFOS/PFOA: perfluorooctane sulfonate and perfluorooctanoic acid
	PIC: Prior informed consent

PMIS: Project management information system

POP: Persistent organic pollutant

PSC: Program steering committee

R&D: Research and development

REDD +: Reducing emissions from deforestation and forest degradation in developing countries

RFMO: Regional fisheries management organization

Rio+20: United Nations conference on sustainable development

S&P: Standard & Poor's

SAICM: Strategic approach to international chemicals management

SAP: Strategic Action Program

SBN: Sustainable banking network

SCCF: Special climate change fund

SDG: Sustainable Development Goal

SEEA: System of Environmental-Economic Accounting

SEforALL: Sustainable energy for all

SFI: Sustainable forestry initiative

SFM: Sustainable forest management

SGP: Small grants program

SIDS: Small island developing states

SLM: Sustainable land management

SME: Small medium enterprise

SO_x: Sulphur oxides

STAR: System for the transparent allocation of resources

tCO₂e: Ton carbon dioxide equivalent

TDA: Transboundary Diagnostic Analyses

TEEB: The economics of ecosystems and biodiversity

TFA2020: Tropical forest alliance 2020

TFCA: Trans frontier conservation areas

TNA: Technology needs assessments

tRFMO: Tuna regional fisheries management organization

TWAP: Transboundary Waters Assessment Program

UCLG: United cities and local governments

UNCBD: United Nations convention on biological diversity

UNCCD: United Nations convention to combat desertification

UNDP: United Nations development program

UNEP: United Nations environment program

UNFCCC: United Nations framework convention on climate change

UNFF: United Nations forum on forests

UPOP: Unintentionally produced persistent organic pollutant

USAID: United States agency for international development

USD: United States Dollars

WAVES: Wealth accounting and valuation of ecosystem services

WISP: World initiative for sustainable pastoralism

WOCAT: World overview of conservation agriculture techniques

WRI: World resource institute

WWF: World Wildlife Fund

GEF-7 PROGRAMMING

INTRODUCTION

1. In the face of the scale and the urgency of the threats facing the planet, and the emerging opportunities to significantly accelerate and scale up its positive impacts, the GEF cannot afford to stand still. The GEF needs to seize opportunities to make a bigger difference. Going forward, the GEF must strategically focus its investments in areas where it can help catalyze the necessary change in key systems, and leverage multi-stakeholder coalitions in alignment with countries' demand and commitment under the various multilateral environmental agreements (MEAs) for which the GEF serves as financial mechanism.

2. The GEF has a unique mandate across multiple MEAs. The GEF has a formal mandate as a financing mechanism under the Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD), the United Nations Framework Convention on Climate Change (UNFCCC), the Minamata Convention and the Stockholm Convention, and it supports countries with economies in transition in their implementation of the Montreal Protocol. GEF support has been critical in allowing parties to translate these agreements into national action, and in ensuring transparency of action through effective reporting from countries to conferences of the parties (COPs). While the GEF's broad responsibilities under various MEAs may add complexity to the GEF's work, these responsibilities are often mutually supportive, and makes the GEF uniquely placed to harness synergies across the different MEAs in line with a more holistic, systems approach. This is also in line with a growing body of recent GEF guidance and decisions coming from various MEA COPs requesting GEF to foster integration as well as promote synergies among actions and strategies. Work done through the GEF contributes to the achievement of the Sustainable Development Goals (SDGs) and also responds to MEA guidance and decisions related to SDGs (Box 1).

Box 1. Rio Conventions Guidance to Promote Integration

At the **UNCBD's** most recent COP13, held in December 2016, Parties agreed a Four-year Framework of Program Priorities for the Seventh Replenishment Period (2018-2022) of the GEF Trust Fund (Decision CBD/COP/DEC/XIII/21). Within the framework, the value of synergies among MEAs was recognized as follows: "The framework recognizes the opportunities for synergy, inherent in the unique institutional design of the Global Environment Facility, with related multilateral environmental agreements, as well as synergies with the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, in particular, Sustainable Development Goals 14 and 15." The guidance to the GEF also states that the: "framework encourages integrated approaches to project design as well as global and regional projects, noting that regional approaches are indispensable for addressing certain elements of the biodiversity agenda...". It encourages collaboration at the national level among national focal points of the Convention and its Protocols, of related environmental agreements, and of GEF, including through GEF-supported projects."

In the **UNCCD**, parties have made key decisions that underscore the cross-cutting nature of the land and desertification agenda. For instance, in 2015, the UNCCD COP12 adopted a new concept of land degradation neutrality (LDN) as a tool to foster implementation of the Convention. As the LDN concept encompasses trends in carbon stocks above and below ground, land productivity, and land cover, its recognition within the work of the Convention signaled the readiness of the Convention to address the land issue together with the biodiversity and climate agenda. At the recent UNCCD COP13, Parties "Welcome[d] the continued support for the implementation of the Convention, in particular the funding of enabling activities by the Global Environment Facility in the context of Sustainable Development Goal target 15.3." and also "Invite[d] the Global Environment Facility to continue its support for the implementation of the Convention under GEF-7, in the context of Sustainable Development Goals, in particular target 15.3." and furthermore "Encourage[d] the Global Environment Facility to continue and further enhance means to harness opportunities for leveraging synergies among the Rio Conventions and other relevant multilateral environmental agreements, as well as the 2030 Agenda for Sustainable Development". With COP guidance to support the voluntary national target setting exercise for LDN for GEF eligible countries that wish to set targets, the GEF has been entrusted with additional mandates to support activities that facilitate synergy. Furthermore, the CCD COP decision (decision 14/COP.13) references "several Sustainable Development Goals, including those relating to climate change": "Further invites multilateral development banks, international development finance institutions, bilateral development organizations, the Global Environment Facility, climate finance institutions including the Green Climate Fund and the Adaptation Fund, the LDN Fund, as well as non-governmental funding facilities, including foundations and private sector entities, to: *Scale up financing for activities related to combating desertification/land degradation and drought, achieving land degradation neutrality and advancing the implementation of the Convention, taking into consideration the multiple benefits of these investments and their contribution to the achievement of several Sustainable Development Goals, including those relating to climate change.*

Finally, with the UNFCCC's Paris Agreement going into effect, the UNFCCC COP in 2016 provided various guidance to the GEF to help countries towards implementation of action. Specifically, the GEF was encouraged "to continue its efforts to encourage countries to align, as appropriate, their Global Environment Facility programming with priorities as identified in their nationally determined contributions, where they exist, during the seventh replenishment, and to continue to promote synergies across its focal areas."

3. The GEF is not the financial mechanism for the SDGs; however, its activities produce global environmental benefits that play a role in achieving the aims of the SDGs, in particular the goals on climate action, life below water, and life on land which reflect to a large extent the GEF's core mission. The inclusion of these three goals among the SDGs reflects the view, as expressed in Agenda 2030 that "planet Earth and its ecosystems are our common home" and that "the survival of many societies, and of the biological support systems of the planet, is at risk". The SDGs are highly inter-related, and through GEF's investments aimed at transforming key economic systems, the GEF will also contribute to the achievement of a number of other goals. For example, GEF investments in sustainable intensification of agriculture can contribute to achieving Goal 2 on No Hunger, investments supporting the energy transformation can help achieve Goal 7 on access to energy, and GEF investments in sustainable commodity supply chains and improved approaches to material production and consumption within the context of the circular economy could contribute to goal 12 on sustainable production and consumption. GEF-7 programming also follows the goals and principles as set out in the GEF's Policy on Gender Equality, i.e. to promote gender equality and the empowerment of women and girls in support of the GEF's mandate to achieve global environmental benefits.

4. GEF2020 and its emerging implementation experiences during GEF-6 provide a strong basis on which to move forward. GEF2020 places emphasis on the importance of the GEF to focus on addressing key drivers of environmental degradation. GEF-6 has produced a number of interventions, including the Integrated Approach Pilots, that proactively address the underlying drivers of global environmental degradation through committed multi-stakeholder coalitions. To overcome multiple barriers, in the context of increasingly complex environmental challenges, a variety of influencing models are being used, which are often working towards delivering results across multiple geographies, sectors and markets. At their core, these interventions seek to achieve market or behavioral transformations, and in many cases to integrate focal area and convention priorities into a broader set of policies, strategies, programs and actions.

5. Experiences from GEF-6—including from the IAPs—suggest strong country demand for GEF to offer platforms where countries can come together around common challenges, as has been seen in the Integrated Approach Pilots. These platforms are now providing a variety of services from knowledge sharing, to lessons learned, to technology transfer to name a few. These platforms also bring together expertise both from within the network of participating countries and agencies, as well as from the wider community of practice in a specific technical area relevant for the program.

6. In GEF-7, programming should further emphasize tackling major drivers of environmental degradation to achieve systems change. This would require the GEF to adjust to evolving global context and emerging opportunities in several ways. GEF programming should:

- Become more selective, to focus GEF resources on areas where significant impact can be achieved.
- Mobilize and strengthen diverse coalitions of actors, especially to leverage the private sector.

- Respond more effectively to country priorities, as expressed in e.g. INDCs and NBSAPS, consistent with countries' commitments to MEAs.

Rationale for GEF-7 Programming Architecture

7. GEF's mission is to safeguard the global environment by supporting developing countries in meeting their commitments to multiple environmental conventions and by creating and enhancing partnerships at national, regional and global scales. The GEF is also an innovator and catalyst that supports multi-stakeholder alliances to preserve threatened ecosystems on land and in the oceans, build greener cities, boost food security and promote clean energy for a more prosperous, climate-resilient world.

8. The GEF-7 programming architecture aims at further advancing the GEF2020 vision that pursues greater impact per unit of investment by tackling the drivers of environmental degradation, promoting greater sectoral and thematic integration, and contributing to systems change in key areas that impact the GEF mission. Many of the most pressing and complex environmental problems that the GEF deals with today operate at regional and global scales, requiring multi-stakeholder collaboration (Bodin, 2017). According to Bodin's (2017)¹ recent seminal review in *Science*, "A growing amount of empirical evidence shows the effectiveness of actors engaged in different collaborative governance arrangements in addressing environmental problems", and suggest it is the "...only feasible option to address environmental problems at these scales."

9. It is increasingly recognized through scientific evidence, evolving convention guidance, trends in country-level programming, and GEF's own operational experience anchored on evaluative processes, that safeguarding the health of the global environment requires both responding to pressures and an expanding focus on addressing the drivers of environmental degradation. The latter calls for more integration across sectors and promotion of transformational change in key economic systems that continue to erode the health of the global environment. This is consistent and responds to STAP's guidance presented to the 50th Meeting of the GEF Council and to the 5th GEF Assembly recommending that (a) environmental degradation must be tackled in a more integrated and holistic way, (b) GEF investments be made coherent with sustainable development objectives, and (c) that the GEF should continue to be catalytic and innovative while actively seeking to effect permanent and transformational change.

10. This approach tends to result in more sustainability of the investments GEF provides and leads to broader adoption, as pointed out by evaluations conducted by the GEF IEO, for example in OPS5 where it notes that broader adoption manifests itself through different mechanisms, including "scaling-up, where GEF-supported initiatives are implemented at a larger geographical scale, often expanded to include new aspects or concerns that may be political, administrative,

¹ Bodin, O. (2017). Collaborative environmental governance: Achieving collective action in social-ecological systems. *Science* 357, 659 (2017). Örjan Bodin is a research scientist at the Stockholm Resilience Center where he develops theoretical model and conducts empirical studies of social-ecological systems as complex and intricate webs of interactions between, and among, different ecological and/or social components.

economic, or ecological in nature”. OPS5 further mentions that market change, “[pertaining] to GEF-supported initiatives catalyzing market transformation by influencing the supply of and/or demand for goods and services that contribute to global environmental benefits” also promote broader adoption. Often, the scale of environmental variation and the scale of social organization in which the responsibility for management resides are misaligned, making sectoral and fragmented investments inefficient (Cumming, 2006)². Hence, the proposed route for GEF-7 resource programming should prove more cost-effective and longer-lasting.

11. GEF’s early experience has already provided evidence that while there is a need to act with focused action in specific areas, such as the protection of biodiversity, integrated investments in land use and food system reforms are increasingly required if global environmental degradation is to be arrested.

12. The MEAs themselves are recognizing the need to promote more synergies between their respective objectives, particularly when it comes to action at the national level funded by the GEF and other financiers. Akhtar-Schuster et al. (2017)³ point out that UNCCD's land-based approach offers an appropriate anchor for blending relevant priority actions under the three Rio Conventions using the linkages that exists between land and biodiversity, and land and climate change, via an integrated framework of complementary rehabilitation, restoration and sustainable land management interventions.

13. With the growing realization by countries that integration was and greater impact were not only achievable but desirable, there has been a significant growth in the share of multi-focal area programming. During GEF-4, 13% of GEF funding was approved as multi-focal area projects. This figure increased to 28% in GEF-5. In the current GEF-6 cycle, this reached 54% of the resources. Some early trends are encouraging. OPS6 finds that multi-focal area projects are better at achieving global environmental and socio-economic outcomes at completion compared to single-focal area projects.

14. MFA projects are better in delivering outcomes, but they face higher transaction costs associated with multiple tracking and reporting on focal area-specific indicators. Furthermore, in some instances MFA projects emerge less by aiming at multiple benefits and integration and more to enhance the overall financial package associated with the investment. Given this, IAPs have been proposed and are being implemented with the common objective to address global environmental issues more holistically. The IAPs aim to support activities in recipient countries that can help them generate global environmental benefits that correspond to more than one global environmental convention or GEF focal area, by tackling the underlying drivers of environmental degradation. More complex programs and sets of child projects will tend to offer more entries for development links due to multi-sectoral approach, multi-stakeholder engagements and platforms, and potential for delivering socio-economic co-benefits, along with

² Cumming, G. S., Cumming, D. H. M. and Redman, C. L. (2006). Scale Mismatches in Social-Ecological Systems: Causes, Consequences, and Solutions. *Ecology and Society* 11(1): 14

³ Akhtar-Schuster, A., Stringer, L. C., Erlewein, A., Metternicht, G., Minelli, S., Safriel, U., and Sommer, S. (2017). Unpacking the concept of land degradation neutrality and addressing its operation through the Rio Conventions. *Journal of Environmental Management* 195, 4-15.

enhancing the sustainability of the associated investments. Child projects generally performed better than stand-alone projects on all rating dimensions, especially on execution quality, sustainability and M&E design. Child projects have also improved in design and are now better linked to the overall program in terms of objectives, result based management and M&E.

GEF-7 Programming Architecture

15. The GEF-7 Programming Directions is seeking maximum impact across its focal areas through integrated programming. The GEF2020 strategy argues that achieving the objectives of multilateral environmental agreements requires the GEF to support country priorities that are ultimately aimed at tackling the drivers of environmental degradation in an integrated fashion. For this reason, the focal areas, which remain the central organizing feature in the *GEF-7 Programming Directions*, provide countries with the opportunity to participate in selected “Impact Programs” focusing on (i) Food systems, Land Use and Restoration; (ii) Sustainable Cities; and (iii) Sustainable Forest Management. The Impact Programs are designed to help countries pursue holistic and integrated approaches for transformational change in these key systems in line with countries’ national development priorities. The Impact Programs hold the potential to enhance synergies and integration across GEF focal areas, as illustrated in table 1 below. Impact programs will also allow the GEF to better crowd-in other stakeholders, including the private sector, enhance knowledge sharing and learning, and ensure a more effective use of GEF resources. They will help ensure that each of the GEF’s focal areas provides maximum contribution to the goals of their respective conventions as described in the GEF focal areas.

16. Certain GEF focal area objectives are best pursued through discrete, single-focus interventions. GEF support plays a critical role in supporting countries to translate MEA commitments into action. Consequently, each focal area also provides countries with the opportunity to pursue such interventions as best aligned with their priorities. The GEF will nevertheless examine possibilities for achieving multiple, cross-focal area benefits also from these investments. For example, many interventions focusing on mainstreaming biodiversity would have climate-related benefits, as would many interventions in support of land degradation neutrality.

17. GEF-7 programming in each of the GEF’s Focal Areas follows COP guidance as described below:

- **Biodiversity Focal Area.** The programming options included in the proposed Biodiversity Focal Area strategy respond directly to the GEF-7 Four-year Framework of Program Priorities agreed by countries at CBD COP13, as well as the Strategic Plan for Biodiversity, 2011-2020. Specifically, the proposed Biodiversity Focal Area is built around achieving the Four-year Program’s three objectives: 1) Mainstream Biodiversity Across Sectors as well as Landscapes and Seascapes, 2) Address Direct Drivers to Protect Habitats and Species, and 3) Further Develop Biodiversity Policy and Institutional Frameworks.

- **Climate Change Focal Area.** Guidance from the UNCCC COP23 encouraged the GEF to further enhance engagement with the private sector and invited the GEF to support developing countries in piloting priority technology projects to foster innovation and investment. The COP further welcomed the operationalization of the CBIT. Prior guidance also encouraged alignment of GEF-7 programming with priorities identified in nationally determined contributions (NDC) and to continue to promote synergies across focal areas. In view of the GEF's comparative advantage to foster innovative project designs, its proven track record of support for technology transfer, and its ability to attract private sector co-financing, and pursuing complementarity with the GCF, the proposed GEF-7 Climate Change Focal Area Strategy is focused on the following objectives: 1) Promote Innovation and Technology Transfer for Sustainable Energy Breakthroughs, 2) Demonstrate Mitigation Options with Systemic Impacts , and 3) Foster Enabling Conditions for Mainstreaming Mitigation Concerns into Sustainable Development Strategies.
- **Land Degradation Focal Area.** Participants at UNCCD COP 13 invited the GEF to continue its support for the implementation of the Convention under GEF-7, in the context of the Sustainable Development Goals, in particular target 15.3. The GEF was also invited, during GEF-7, to continue providing technical and financial support for capacity-building, reporting and voluntary national LDN target-setting and implementation. The COP13 encourages the GEF to continue and further enhance means to harness opportunities for leveraging synergies among the Rio Conventions and other relevant multilateral environmental agreements, as well as the 2030 Agenda for Sustainable Development. The proposed GEF-7 Land Degradation Focal Area seeks to achieve the following objectives: 1) Enhance on-the-ground Implementation of SLM using the LDN tool, and 2) Create an Enabling Environment to Support Voluntary LDN Target Implementation.
- **Chemicals and Waste Focal Area.** The Chemicals and Waste Focal area directly responds to the needs expressed by Participants at the 2017 BRS COP relating to the Stockholm Convention and by participants to Minamata Convention negotiations (the latter entered into force on August 16, 2017; COP 1 was held in September 2017), and responds to certain requests from the Strategic Approach to International Chemicals Management (SAICM). Finally, it supports the compliance needs of countries with economies in transition to meet their obligations under the Montreal Protocol. The Chemicals and Waste Focal Area focuses on eliminating chemicals covered by the above conventions that are used in or emitted from industrial and agricultural sectors.
- **International Waters Focal Area.** While not responding directly to a convention, the GEF International Waters Focal Area fills a critical gap in the global management of transboundary water resources, both marine and freshwater. GEF IW interventions are built on initial assessment of threats and opportunities, through the so-called Transboundary Diagnostic Analyses, which are followed up by the development of regionally agreed Strategic Action Programs (SAPs). Aligned with SAPs, the objectives of

the International Waters Focal Area are 1) Strengthening Blue Economy Opportunities (which includes sustaining healthy coastal and marine ecosystems; catalyzing sustainable fisheries management; and addressing pollution reduction of both nutrients and marine plastics), 2) Improving Management in Areas Beyond National Jurisdiction (ABNJ), and 3) Enhancing Water Security in Freshwater Ecosystems. These objectives will be supported by investments in large marine ecosystems, transboundary rivers, lakes, aquifers and areas beyond national jurisdiction.

18. The proposed GEF-7 programming architecture also includes selected “Impact Programs” to leverage the GEF’s ability to design and implement integrated solutions. Significant results in each Focal Area in GEF-7 is proposed to come from the implementation of a set of cross-cutting “Impact Programs”. A central feature of the Impact Programs is that they deliver global environmental benefits across several GEF focal areas, and that their aggregate results will be tracked based on a relatively small number of indicators closely aligned with convention and global environmental benefit priorities. Through the Impact Programs, the GEF will be better positioned to help countries pursue holistic and integrated approaches to promote transformational change in key economic systems in line with countries’ national development priorities. IPs hold the potential to enhance synergies, integration, and impact of GEF investments, to promote a more effective use of resources, and to crowd-in private sector funding.

19. The three IPs collectively address key drivers of environmental degradation, and offer the potential for the GEF to contribute to systemic change:

- ***Food, Land Use and Restoration.*** Given the fact that increasing demand for food is one of the major drivers of biodiversity loss, land degradation and depletion of water resources, this Impact Program will support countries’ efforts to ensure that productive lands are embedded within landscapes that are providing ecosystem services as well as protecting the natural ecosystems and soil on which they depend. Achieving this transition will require a holistic, system-wide approach integrating both horizontal (land and natural resources) and vertical (food value and supply chain) dimensions. Based on the country-specific context, the GEF will help countries pursue comprehensive and system-wide planning approaches to underpin the transformation of food and land use systems. In order to accommodate differences between countries with respect to opportunities for leveraging GEF financing, the proposed IP will focus on three interrelated priorities as “entry points”: promoting sustainable food systems to tackle negative externalities in entire value chains, promoting deforestation-free agricultural commodity supply chains, and promoting large-scale restoration of degraded landscapes for sustainable production and ecosystem services. These entry points will meet the needs of diverse recipient countries aspiring to transform their food and land-use systems in a manner that generates multiple global environmental benefits.

- ***Sustainable Cities.*** Building on the GEF’s existing work in this area, this proposed Impact Program would directly support cities to pursue sustainable urban planning through spatially integrated solutions in energy, buildings, transport, urban food systems, management of municipal solid waste, and utilization of green space and infrastructure. The IP will further strengthen the GEF’s catalytic impact by enhancing the global knowledge platform created under the GEF-6 Sustainable Cities IAP program. The platform brings cities and global expertise together and is a forum where cities can tap into best practices for sustainable urban planning, and also share their experience with others. This will help cities better capture opportunities to increase the productivity of existing urban infrastructure, and incorporate innovations with the potential to revamp how cities are developed and operate across a range of areas, including evidence-based spatial planning, decarbonizing urban infrastructure, building resilience, cascading financing solutions for urban sustainability, green infrastructure and nature-based solutions, and conservation of globally important biodiversity in urban landscapes.
- ***Sustainable Forest Management (SFM).*** The SFM Impact Program will focus on a limited number of key transboundary biomes of global importance: The Amazon, the Congo Basin, and important Dryland landscapes. These three biomes are major integrated ecosystems and perhaps the last places where a concerted SFM approach⁴ focusing on their ecological integrity and functioning can truly transform the course of development and produce multiple benefits for biodiversity, climate change, and land degradation. Interventions would focus on designing and implementing collaborative approaches to productive and conservation land uses that will provide for livelihoods while preserving the ecological integrity and global environmental value of ecosystems.

20. Focal areas remain the central organizing framework in the GEF-7 delivery model. Each focal area strategy is designed to ensure that the GEF provides maximum impacts on the goals of their respective conventions. Countries choose among the Focal Area programming options in accordance with their needs and priorities. For each Rio Focal Area, the programming options include a menu of investments and relevant impact programs. The GEF-7 Programming architecture is illustrated in Table 1 below.

⁴ SFM is defined in line with UNGA (2008) as a “dynamic and evolving concept, which aims to maintain and enhance the economic, social and environmental values of all types of forests, for the benefit of present and future generations”. GEF’s approach will thus encompass broad landscapes, where forests and trees outside forests are important elements, to be managed for conservation, production or multiple purposes, to provide a range of forest ecosystem goods and services at the local, national, regional and global levels.

Table 1. Architecture of the GEF-7 Programming

Focal Areas	Biodiversity	Climate Change	Land Degradation	International Waters	Chemicals and Waste
	Programming Areas to be addressed through Focal Areas Investments				
	<ul style="list-style-type: none"> Biodiversity mainstreaming Global Wildlife Program Natural capital Agrobiodiversity Inclusive conservation Invasive species Protected areas Biosafety ABS Enabling Activities 	<ul style="list-style-type: none"> Innovation and technology transfer for sustainable energy breakthroughs NDC preparation and implementation Capacity Building Initiative for Transparency Enabling Activities 	<ul style="list-style-type: none"> Creating Enabling Environments for LDN LDN Target setting Enabling Activities 	<ul style="list-style-type: none"> Strengthening Blue Economy Opportunities Improving Management in ABNJs Enhancing Water Security in Freshwater Ecosystems 	<ul style="list-style-type: none"> Industrial Chemicals Agricultural Chemicals LDC/SIDS support Enabling Activities
	Objectives to be addressed through Impact Programs that promote convention priorities				
Food Systems, Land Use, and Restoration Impact Program	<ul style="list-style-type: none"> Manage biodiversity in production landscapes Harnessing biodiversity for sustainable agriculture Secure high conservation value forest (HCVF) areas in production landscape 	<ul style="list-style-type: none"> Land-based and value chain GHG mitigation (<i>sequestration and avoidance</i>) 	<ul style="list-style-type: none"> Sustainable land management Diversification of crop and livestock systems Restoration of degraded production landscapes 	<ul style="list-style-type: none"> Integrated Land and water management Prevention of nutrient pollution⁵ 	<ul style="list-style-type: none"> Replacement of POPs and relevant HHP's used in the global food supply chain Disposal of obsolete agricultural chemicals that are POPs.
Sustainable Cities Impact Program	<ul style="list-style-type: none"> Integrating biodiversity and ecosystem values in urban planning 	<ul style="list-style-type: none"> Urban-related GHG emissions avoidance 	<ul style="list-style-type: none"> Sustainable management of production systems in urban and per-urban areas 	<ul style="list-style-type: none"> Shared water ecosystems (fresh or marine) under new or improved cooperative management 	<ul style="list-style-type: none"> Reduction of POPs, ODS, and Mercury in built infrastructure, industry and

⁵ Please note that even though there is a clear overlay of priorities and opportunities within the cross section between Food systems, land use and restoration Impact Program and the International Waters Focal Area, it is not possible at this stage to identify and develop specific targets for these investments due to the many unknown parameters.

					products and materials used in cities.
Sustainable Forest Management Impact Program	<ul style="list-style-type: none"> • Protection of HCV forests • Manage biodiversity in forest landscapes 	<ul style="list-style-type: none"> • Protection of carbon-rich stocks • Forest related GHG emissions avoidance 	<ul style="list-style-type: none"> • Sustainable management of dryland landscapes 	<ul style="list-style-type: none"> • Shared water ecosystems (fresh or marine) under new or improved cooperative management 	<ul style="list-style-type: none"> • Eliminate mercury in forests where ASGM that uses mercury occurs

BIODIVERSITY FOCAL AREA STRATEGY

Global Context of Biodiversity

21. The Convention on Biological Diversity (CBD) defines biodiversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems.”

22. The Millennium Ecosystem Assessment (MA) and analyses produced by TEEB (The Economics of Ecosystems and Biodiversity) were among the first studies that demonstrated that biodiversity underpins the ecosystem goods and services that are required for the survival of human societies and for the future of all life on the planet.⁶ As such, biodiversity generates considerable socio-economic value through the provision of goods such as food, water, and materials, and services such as climate regulation, pollination, disaster protection, and nutrient cycling.

23. This changed way of looking at biodiversity as an “asset” that makes critical contributions to sustainable development has since influenced approaches to biodiversity conservation and sustainable use which are now reflected in the Strategic Plan for Biodiversity, 2011-2020, and the Aichi Biodiversity Targets as well as the GEF-6 biodiversity focal area strategy. This evolution in thinking was reaffirmed at the thirteenth meeting of the Conference of the Parties of the CBD (CBD/COP 13) with the adoption of the “Cancun Declaration on Mainstreaming the Conservation and Sustainable Use of Biodiversity for Well-being”, that recognizes that the management of this asset requires full engagement of all government ministries, and most critically, from the agriculture, fisheries, forestry, and tourism sectors.

24. Governments, civil society organizations, the private sector, indigenous peoples and local communities, and others have made some progress in conserving and sustainably using biodiversity and ecosystems at local and national levels, but not at the scale necessary to stem the ongoing tide of biodiversity loss. The Strategic Plan for Biodiversity, 2011-2020, and its associated Aichi Biodiversity Targets direct the global community’s response to reverse these trends. However, a recent analysis of national reports on progress against all 20 Aichi Targets demonstrates limited achievements to date.

25. The five main direct drivers of biodiversity loss are: habitat change (loss, degradation, and fragmentation), overexploitation or unsustainable use, invasive alien species (particularly in island ecosystems), climate change, and pollution⁷. These critical drivers of biodiversity loss are intensifying, particularly habitat loss driven by the expansion of agriculture.

⁶ Millennium Ecosystem Assessment 2005, *Ecosystems and Human Well-being: Synthesis*, Island Press, Washington DC; TEEB (2010) *The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB*.

⁷ Millennium Ecosystem Assessment 2005, *Ecosystems and Human Well-being: Synthesis*, Island Press, Washington DC.

26. Based on current assessments of biodiversity status and the magnitude of the pressures being exerted on biodiversity and with few countries on track to achieve the Aichi Targets, all stakeholders have to redouble their efforts, including finding new ways to increase financing for biodiversity conservation and sustainable use and applying new approaches at a commensurate scale to eliminate threats to biodiversity.

CBD/COP 13 Guidance to the GEF

27. At the CBD/COP 13, Parties agreed a Four-year Framework of Program Priorities for the Seventh Replenishment Period (2018-2022) of the GEF Trust Fund (Decision CBD/COP/DEC/XIII/21). The Four-year Framework includes specific program priorities to be addressed by the GEF-7 biodiversity focal area investments and other associated GEF programming. The Decision also “*Encourages* the Global Environment Facility to continue and further strengthen integrated programming as a means to harness opportunities for synergy in implementing related multilateral environmental agreements as well as the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, in particular Sustainable Development Goals 14 and 15.” The Four-year Framework thus points directly to the opportunities for synergy, inherent in the unique institutional design of the GEF, which serves as a financial mechanism for multiple multilateral environmental agreements.

28. The GEF-7 biodiversity focal area investments and associated programming strategies fully embody integrated approaches to achieve the biodiversity conservation and sustainable use outcomes of the Four-year framework while supporting the implementation of all of the biodiversity-related conventions in a synergistic way. Implementation of the GEF-7 Four-year Framework is supported through the biodiversity focal area investments and other integrated programming, particularly through the Impact Program on Food Systems, Land Use and Restoration, Sustainable Cities, Sustainable Forest Management (SFM) and through the International Waters Focal Area Strategy (see Table 2).

29. Collectively, these investments seek to deliver impact at scale by addressing key underlying drivers of biodiversity loss as well as direct drivers/pressures while responding to the biodiversity mainstreaming agenda of COP 13 and the most challenging elements of the Strategic Plan for Biodiversity, 2011-2020. As a whole, they provide the most comprehensive strategic response in GEF’s history to the five greatest direct drivers/pressures of biodiversity loss.

GEF-7 Biodiversity Focal Area Investments and Associated Programming

30. The goal of the GEF-7 biodiversity focal area strategy is to maintain globally significant biodiversity in landscapes and seascapes. To achieve this goal, GEF investments will contribute to the following three objectives identified in the CBD COP 13 Guidance to the GEF:

- Mainstream biodiversity across sectors as well as landscapes and seascapes;
- Address direct drivers to protect habitats and species; and

- Further develop biodiversity policy and institutional frameworks.

31. The Biodiversity Focal Area Investments, the Food Systems, Land Use, and Restoration Impact Program, the Sustainable Cities Impact Program, the Sustainable Forest Management Impact Program, and the International Waters Focal Area Investments will collectively contribute to achieving this goal and the three objectives as presented below in Table 2, which summarizes how the GEF-7 Biodiversity Focal Area Investments and Associated Programming respond to the Four-Year Framework of Program Priorities for GEF-7. (The results framework for the Focal Area Investments and Associated Programming is presented in Annex 1. Please also note that Annex 2 provides detailed programming options for the expected outcomes of the Four-year Framework of Program Priorities).

Table 2. CBD Guidance and Delivery Mechanism in GEF-7

CBD Guidance for GEF-7: Four Year Framework of Program Priorities	Delivery Mechanism
<p>I. Mainstream biodiversity across sectors as well as landscapes and seascapes</p> <p>A) Improve policies and decision-making, informed by biodiversity and ecosystem values</p> <p>B) Manage biodiversity in landscapes and seascapes</p> <p>C) Harness biodiversity for sustainable agriculture</p>	<p>Focal Area Investments</p> <p>Biodiversity Mainstreaming in Priority Sectors</p> <p>Global Wildlife Program (preventing the extinction of known threatened species, and wildlife for sustainable development)</p> <p>Natural Capital Assessment and Accounting</p> <p>Sustainable Use of Plant and Animal Genetic Resources</p> <p>Inclusive Conservation</p> <p>Impact Programs</p> <p>Food systems, Land Use, and Restoration Impact Program</p> <p>Sustainable Cities Impact Program</p> <p>Sustainable Forest Management Impact Program (Amazon, Congo Basin, Dryland Sustainable Landscapes)</p> <p>Other Focal Areas</p> <p>International Waters/Sustainable Fisheries</p>
<p>II. Address direct drivers to protect habitats and species</p> <p>D) Prevent and control invasive alien species</p> <p>E) Reduce pressures on coral reefs and other vulnerable coastal and marine ecosystems</p> <p>F) Enhance the effectiveness of protected area systems</p> <p>G) Combat illegal and unsustainable use of species, with priority action on threatened species</p>	<p>Focal Area Investments</p> <p>Prevention, Control and Management of Invasive Alien Species (focus on islands)</p> <p>Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate</p>

	Other Focal Areas International Waters/Coastal and Marine Protected Areas
III. Further develop biodiversity policy and institutional framework H) Implement the Cartagena Protocol on Biosafety Implement the Nagoya Protocol on Access to Genetic Resources and Benefit-sharing J) Improve biodiversity policy, planning, and review	Focal Area Investments Implementing the Cartagena Protocol on Biosafety Implementing the Nagoya Protocol on Access and Benefit Sharing Support for national reporting and NBSAP development

32. The GEF-7 Biodiversity Focal Area Strategy is presented below. In its entirety, the set of programming options included in the strategy respond directly to the GEF-7 Four-year Framework of Program Priorities as well as the Strategic Plan for Biodiversity, 2011-2020, particularly with regards to the increasingly important biodiversity mainstreaming agenda. Also, programming options include investments through Impact Programs capable of delivering more returns per unit of investment by seeking systemic responses to problems that emerge from more than one sector. They will make significant and synergistic contributions to the GEF-7 Four-year framework of program priorities and the associated expected outcomes as agreed at COP 13.

Objective 1. Mainstream biodiversity across sectors as well as landscapes and seascapes⁸

33. The GEF defines biodiversity mainstreaming as: “the process of embedding biodiversity considerations into policies, strategies and practices of key public and private actors that impact or rely on biodiversity, so that it is conserved and sustainably used both locally and globally.”

34. GEF-7 provides nine entry points for countries to mainstream biodiversity across sectors and within production landscapes and seascapes:

- Biodiversity Mainstreaming in Priority Sectors;
- Global Wildlife Program;
- Natural Capital Assessment and Accounting;
- Sustainable Use of Plant and Animal Genetic Resources;
- Inclusive Conservation;
- Food Systems, Land Use & Restoration Impact Program;

⁸ Please see Annex 3 which maps the various programming options available to countries against the priorities and outcomes of each objective as identified by CBD COP 13.

- Sustainable Cities Impact Program;
- Sustainable Forest Management Impact Program; and
- International Waters Focal Area/Sustainable Fisheries.

Biodiversity Mainstreaming in Priority Sectors

35. GEF will continue to focus primarily on supporting the following suite of activities to advance biodiversity mainstreaming:

- Spatial and land-use planning to ensure that land and resource use is appropriately situated to maximize production without undermining or degrading biodiversity. A review of GEF experience in supporting biodiversity mainstreaming identified investments in spatial and land use planning to be a critical first step that sets the stage for future more comprehensive mainstreaming investments in production landscapes and seascapes. Linking the objective of sustaining protected areas and their conservation objectives with targeted investments in spatial and land use planning in the surrounding geographies will continue to be a key element of GEF's biodiversity mainstreaming strategy given the successes with this approach at various scales in a variety of implementation environments in the GEF portfolio;
- Improving and changing production practices to be more biodiversity-positive with a focus on sectors that have significant biodiversity impacts (agriculture, forestry, fisheries, tourism, extractive industries (gas, oil, and mining) and infrastructure development) through technical capacity building and implementation of financial mechanisms (certification, payment for environmental services, biodiversity offsets etc.) that incentivize actors to change current practices that may be degrading biodiversity; and
- Developing policy and regulatory frameworks that remove perverse subsidies and provide incentives for biodiversity-positive land and resource use that remains productive but that does not degrade biodiversity.

36. Successful biodiversity mainstreaming initiatives in the GEF portfolio have often been a long-term process requiring multiple and complementary projects that span numerous GEF funding phases. In order for biodiversity mainstreaming to generate impacts at the scale necessary to advance progress in achieving the related Aichi Biodiversity Targets, a series of investments by GEF that are strategically nested within a larger-scale national planning and management framework is often required. Project proponents will be encouraged to take advantage of opportunities provided through the impact programs to mainstream biodiversity in the agriculture and forestry sectors. Countries may also submit proposals in the target sectors of forestry, fisheries, tourism, infrastructure, as well as extractives (gas, oil, and mining), that are aligned with the suite of activities identified above (spatial and land-use planning, improving and changing production practices, policy and regulatory frameworks, and financial mechanisms).

Global Wildlife Program

37. As the illegal killing of wildlife is experiencing a slight decline in some regions of the world, the global community must continue to fight this important threat with sustained and comprehensive efforts addressing both the supply and the demand side of the problem. The increasing scale of wildlife trafficking is intrinsically linked to the growing involvement of transnational organized crime networks. Indeed, organized crime groups, specifically those with smuggling capabilities, find wildlife trafficking attractive because of its low risks, high profits, and weak penalties due to the low priority it is afforded by enforcement authorities. In GEF-6, the GEF launched the “Global Wildlife Program” which is establishing the groundwork for reducing poaching and curtailing the illegal wildlife trade. While these investments are important and significant, the GEF-7 Global Wildlife program must continue building on those initial investments, notably through two components. Component 1 (Preventing the Extinction of Known Threatened Species) will continue to sustain and complement those efforts by increasing the focus on the demand side in Asian Countries as well as greatly enhancing the regional coordination efforts required to bring all the relevant stakeholders to the table for the best overall impact, which was a limitation in the original GEF-6 program. In component 2 (Wildlife for Sustainable Development), the GEF will build on some of the initial successes and promote long-term sustainability in areas where poaching has subsided. This will be pursued by ensuring that local communities that are living inside and outside of conservation areas benefit from economic development that strengthened wildlife tourism can deliver.

Preventing the Extinction of Known Threatened Species

38. Component 1 of the Global Wildlife program will address both the supply and demand aspect of poaching to build monitoring and enforcement capacity to staunch the demand for these products and promote the improvement of enforcement of existing laws.

39. GEF will support strengthening decision-making processes including legislation and its implementation, strategic planning, and capacity of national agencies in Africa engaged in reducing poaching and illegal trade of tusks, horns, and associated by-products. Support will also include the development of strategic plans to combat illegal wildlife trade that is occurring online. Support will include building the capacity of environmental law enforcement agencies and the judiciary to reduce poaching inside and outside of the protected area system and improving border enforcement (including airports and seaports) through cross-sectoral collaboration. GEF will also support the preparation of action plans where governments commit to an adequate budget for their implementation, effectively contributing to the sustainability of these activities. GEF will also support efforts to increase cooperation within and between law enforcement agencies and relevant international organizations and to mobilize political support for environmental law enforcement.

40. Most importantly, efforts must be made to reduce consumer demand for illegally traded wildlife by raising awareness of the scale and impacts of illegal wildlife trade on biodiversity and the environment, livelihoods, and human health, its links to organized crime, and the availability of sustainable alternatives. The erosion of the rule of law and the use of illegal trade to finance

conflict impacts disproportionately on women and children who are most affected by conflict and violence, loss of livelihoods and crime. GEF will increase its support activities, particularly in Asia, to catalyze high-level political will to fight wildlife trafficking, and secure the shared commitment of government (at national and local levels), private land owners, local communities, and international stakeholders.

41. The program will make a concerted effort to respond to the threat of extinction of species that are critical for the ecological and economic sustainability of many protected areas in sub-Saharan Africa. This will not preclude the submission of proposals from other countries or regions where poaching and illegal trade poses an imminent danger to a threatened species. For example, wildlife poaching and illegal trade in Eurasia, including Asia, Russia, and Central Asia, is also increasing dramatically. The demand for high-value wildlife products in Asian markets has helped fuel a dramatic upsurge of poaching of Asian elephants and rhinos, as well as tigers and other wildlife. GEF will complement anti-poaching work in Africa through a similar array of interventions at source sites for rhino and elephants and other wildlife in Asia. Efforts will include:

- Strengthening national legislation, institutions, and law enforcement to reduce poaching;
- Strengthening science-based wildlife monitoring, education and awareness; and
- Reducing demand for illegal wildlife products.

Wildlife for Sustainable Development

42. Component 2 of the Global Wildlife program will examine ways of turning the current and future increases in wildlife numbers and wildlife-based land uses into a contributor to sustainable development. Indeed, a growing body of evidence shows that wildlife-based land uses (including eco-tourism), can contribute favorable socio-economic benefits compared to livestock farming in isolated semi-arid environments, including sustainable livelihoods, improved infrastructure to access and enjoy protected areas and wildlife, and enhanced representation of women and other marginalized groups in the decision-making and management systems of communities. In some areas where grazing used to occur, wildlife tourism is now generating four times as much income as livestock, and sixteen times the revenue in wages.

43. This component is restricted to Africa in GEF-7 where the opportunity to realize the benefits that wildlife tourism can deliver to local communities is most promising. Between 2000 and 2014, the number of jobs in Africa attributable to the tourism sector nearly doubled from 11.6 million to 20.5 million, which represents 8.1% of total employment in the region thus demonstrating that tourism is becoming an increasingly important part of the economy, particularly in rural areas.⁹ In addition, by concentrating in Africa, GEF-7 support will build on the investments and results of the GEF-6 “Global Wildlife Program” which will help sustain progress in reducing poaching and curtailing the illegal wildlife trade by ensuring that local communities

⁹ Tourism for Development. 20 reasons sustainable tourism counts for development. Knowledge Series, The World Bank Group, 2017.

that are living inside and outside of conservation areas benefit from the economic development that wildlife tourism has the potential to deliver.

44. Furthermore, realizing the objectives of the Global Wildlife Program requires the convergence of a number of factors that are present in Africa more than in any other region where the GEF invests: a) a growing demand for a wildlife-based tourism product, b) significant wildlife populations, c) large wilderness areas needed to sustain viable populations in perpetuity, and; d) private sector partners (primarily tourism operators) with the expertise and willingness to engage in wildlife-based tourism.

45. While there is great potential in Africa, a number of barriers exist that prevent wildlife from contributing more robustly to economic development in areas where the economy is dominated by food aid, grants and urban remittances. First, policy makers do not yet view wildlife economically as they don't fully understand the drivers of tourism demand, visitor needs, or how to manage wildlife tourism successfully. Second, sectoral transformation depends on reversing colonial wildlife policies so that a higher proportion of tourism revenues return to the parks and the communities that co-exist with wildlife. Third, many of the world's protected areas lack the basic conservation infrastructure, air or road access, the right to retain revenues, and investor-friendly conditions. Fourth, many protected area management policies were established with the idea of keeping people away from wildlife. And lastly, the demand for wildlife products must be severely curtailed or eliminated so that the reduced pressure on wildlife can give way to practices that sustainably use wildlife for economic and social development.

46. The GEF will support the development or improvement of a wildlife-based economy where several key factors converge to enable wildlife to make significant contributions to sustainable development. These factors include: 1) wildlife populations growing or stable; 2) governments demonstrating political will to build a wildlife-based economy; 3) large conservation areas covering sufficient area to support ecologically viable populations and genetic diversity - including Trans Frontier Conservation Areas (TFCAs); 4) wildlife tourism operators willing to engage with government and private sector authorities managing protected areas to generate economic benefits for conservation and local communities; and 5) mechanisms for local communities living inside and/or outside of the protected areas to benefit directly and indirectly from wildlife and protected area management. African countries have significant social and economic reasons to embark on an initiative to use wildlife as the basis for sustainable development, since the model could easily render stable jobs for over 1 million people and generate over USD 10 billion of tourism revenues.

47. GEF support will be focused at the national and regional scales. At the national level, the GEF will support:

- The development of policy frameworks that help unlock the potential for self-financing conservation areas (i.e. National Parks, Nature and Game Reserves, etc.) and viable wildlife tourism within a framework of Community Based Natural Resources Management (CBNRM), and that better regulate the sustainable non-extractive use of wildlife;

- Improving protected area management and infrastructure to ensure the conservation of biodiversity and other natural assets in support of the wildlife-based economy;
- Building capacity to implement CBNRM, so that local communities benefit fully from wildlife conservation in and around protected areas (i.e. buffer zones, private lands, game management areas, etc.); and
- Engagement with the private sector to assist governments and local communities with the development, management and marketing operations through the appropriate modalities (i.e. Public-Private partnerships, Private-Community partnerships, or Public-Private-Community partnerships).

48. At the regional level, the GEF will support wildlife for sustainable development activities in large scale conservation areas in sub-Saharan Africa in general and in the South African Development Community countries in particular.

Natural Capital Assessment and Accounting (NCAA)

49. Biodiversity generates considerable value through the provision of goods such as food, water, and materials, and services such as climate regulation, pollination, disaster protection, and nutrient cycling.¹⁰ The Millennium Ecosystem Assessment and The Economics of Ecosystems and Biodiversity (TEEB) were significant steps to make the “value” of nature (however that value may be defined) more visible, countable, and measurable. Other related efforts to provide frameworks and approaches for internalising environmental externalities into economic and development decision-making include the United Nations System of Environmental-Economic Accounting (SEEA), World Bank’s Wealth Accounting and Valuation of Ecosystem Services (WAVES) initiative, the Inclusive Wealth Index: <http://inclusivewealthindex.org>, and the Natural Capital Coalition’s Natural Capital Protocol. As part of this evolution of thinking about nature’s contributions to societies, economies and sustainable development, the term “natural capital” was coined to define the stock of renewable and non-renewable resources, including biodiversity (e.g. plants, animals, air, water, soils, and minerals), that combine to yield a flow of benefits (ecosystem goods and services) to people. Although a number of approaches are currently being used to identify, measure, and value natural capital, these exercises have too rarely influenced decision making and policy instruments to: 1) mitigate the drivers of natural capital degradation and biodiversity loss; and/or 2) increase financing for management of natural capital and biodiversity.

50. GEF’s support to natural capital assessment and accounting will be implemented amidst the backdrop of recent progress made with the SEEA and global standardized frameworks and

¹⁰ Millennium Ecosystem Assessment 2005, *Ecosystems and Human Well-being: Synthesis*, Island Press, Washington DC; TEEB (2010) *The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature*.

tools for natural capital assessment for both private and public sectors.¹¹ Natural capital “assessments” are spatial assessments of stocks of natural capital and/or delivery of ecosystem services, which are often accompanied by assessing change under different scenarios with decision-makers and stakeholders. Depending on methodologies applied, the data from such assessments can serve as an input to the construction of national accounts that reflect these values. Both natural capital assessments and accounts are required to advance policy dialogue and to aid in decision-making, including the allocation of financing for management of natural capital and biodiversity. They are interlinked, and each have their own advantages and disadvantages.

51. When designed and implemented appropriately, natural capital assessments are focused on and have proven effective in informing regional, national, or sectoral plans as well as finance and policy mechanisms. However, they are too often one-time exercises that are not mainstreamed and institutionalised, so are not yet significantly affecting important budgetary and policy decisions at the national level, especially government and private sector investment strategies. National natural capital accounts can in principle help fill this gap from a public sector perspective, but it takes considerable time and data to populate national accounts. There is a risk that natural capital accounting efforts can lead to significant data collection without a specific target decision or policy question in mind, so to be most impactful, they should be co-developed with specifically targeted decision-makers and stakeholders.

52. Therefore, GEF projects will design and link the natural capital assessment and accounting exercises to respond to specific target decisions or policy questions to help ensure their practical relevance as well as the institutionalization and use of natural capital accounting for the medium- and long-term. GEF projects will aim to build the capacity of countries to identify, measure, and value natural capital, including biodiversity, and to integrate the understanding of this value into decision making and policy instruments to: 1) mitigate or eliminate harmful incentives leading to the degradation of natural capital assets or to identify positive financial and other policy incentives for the maintenance or enhancement of these assets ; and 2) enhance financing for sustainable management and restoration of natural capital, including through affecting public and private financial flows. This may include expanding the use of green finance mechanisms and solutions, as appropriate (e.g., green bonds, blue bonds, etc.).¹² Within the context of this GEF

¹¹ UN-SEEA contains the internationally agreed standard concepts, definitions, classifications, accounting rules and tables for producing internationally comparable statistics on the environment and its relationship with the economy. The SEEA framework follows an accounting structure equivalent to the traditional System of National Accounts (SNA) and uses concepts, definitions and classifications consistent with the SNA in order to facilitate the integration of environmental and economic statistics. The Natural Capital Protocol and beta version of the Protocol toolkit provides guidelines to the private sector for NCAA for businesses.

¹² Green finance comprises the: a) financing of public and private green investments (including preparatory and capital costs) in environmental goods and services (such as water management or protection of biodiversity and landscapes), prevention, minimization and compensation of damages to the environment and to the climate (such as energy efficiency or dams), b) the financing of public policies (including operational costs) that encourage the implementation of environmental and environmental-damage mitigation or adaptation projects and initiatives (for example feed-in-tariffs for renewable energies); and c) components of the financial system that deal specifically with green investments, such as financial instruments for green investments (e.g. green bonds and structured green funds), including their specific legal, economic and institutional framework conditions. Source: Lindenberg, N. 2014. Definitions of Green Finance. German Development Institute.

programming area, the aim is to support natural capital assessments and accounting that can inform decisions about the use of green finance mechanisms to sustain and restore natural capital which would include financial products and services provided by the banking sector.

53. Project interventions will undertake a four-phase process: 1) baseline diagnosis of institutional capacity to undertake natural capital assessment and accounting (legal, policy, planning and institutional framework to identify gaps, data, governance and capacity needs); 2) review of expenditures on natural capital management, assessment of finance needs for natural capital management and of appropriate finance solutions; 3) implementation of natural capital assessments and accounting; and 4) incorporation of natural capital into policy, planning, and decision-making. When appropriate, GEF will work with countries already engaged in relevant initiatives such as World Bank/WAVES, UNDP/BIOFIN, the Natural Capital Project, UNEP Financial Inquiry, etc. and will complement these efforts.

54. In addition, it is expected that GEF support will help address some of the key challenges to green finance mechanisms becoming more firmly established, such as informing the design of government policies that provide incentives to generate positive externalities through green investments (beneficial to natural capital) while establishing appropriate disincentives for the production of negative externalities from environmentally damaging investments.

55. The program will be implemented within a global context where businesses are increasingly recognizing that by including natural capital considerations in their decisions, they can create greater value for themselves and protect the natural capital that is material to their economic interests. For example, many corporations and other organizations around the world are now using the Natural Capital Protocol as a standardized framework to help incorporate the assessment and valuation of natural capital in decision-making. The protocol was developed by the Natural Capital Coalition and now includes a supplement geared towards the finance sector to guide development of policies that encourage green investment.

56. Therefore, the implementation of natural capital assessment and accounting processes will aim to facilitate a dialogue between the public and private sectors at the national level to create greater certainty for businesses with regards to their operations and investment plans vis-à-vis natural capital. In this way, private sector interests and investor requirements can provide added impetus to governments to use the information generated on natural capital in development planning and policy making while bringing needed durability to government-led approaches due to the long-term perspectives of business interests that seek consistency and certainty. In addition, natural capital assessment and accounting undertaken at the national level will provide the opportunity to share best practice and information between the public and private sectors and their approaches to natural capital accounting and valuation, and could, among other things, help streamline the process of using business data in the production of national statistics, reduce the reporting burden for businesses by aligning national business surveys with corporate reporting, and facilitate business reporting on contributions to the Sustainable Development Goals.

57. The recognition that environmental risks need to be more firmly integrated in the financial system has been growing rapidly. For example, the Financial Stability Board's Taskforce on Climate-related Financial Disclosure has been developing recommendations for managing the physical, liability, and transition risks of climate change. Rating agencies S&P and Moody's have announced plans to assess the climate risks facing both companies and countries. Investor groups have called for greater disclosure of companies' exposure to climate risks. However, those initiatives and measures are mostly focused on climate risks while risks to broader natural capital, including biodiversity, forest and land, are not generally firmly taken into account. Against this background, the GEF will extend support to countries that have already identified the need to transition towards green finance, and will inform them of possible options to tailor global financial innovation to local needs, and will foster the broader adoption of national green finance instruments and support enhanced alignment of national financial regulation with environmental sustainability considerations. This way, MEA guidance can be mainstreamed in financial sectors at the national and sub-national levels from the outset and ensure that MEA objectives are implemented in a catalytic fashion at the systemic level instead of leaving it to the vagaries of the market to consider MEA priorities on an ad hoc basis.

58. Through the Sustainable Cities Impact Program, the GEF will also promote the use of natural capital assessments and accounting as an input to integrated urban planning and the sustainability of cities with regards to their impact and reliance on biodiversity and associated ecosystem services.

Sustainable Use of Plant and Animal Genetic Resources

59. The conservation and sustainable use of the genetic diversity of cultivated plants, domesticated animals, of their wild relatives and of other socio-economically and culturally valuable species, including aquatic, forest, microbial and invertebrate genetic resources, is central to achieving food security and nutrition for a growing world population, improving rural livelihoods, developing more sustainable agriculture practices, and improving ecosystem function and the provision of ecosystem services in production landscapes. As climates and production environments change, in often unpredictable ways, genetic diversity is also essential to providing the necessary adaptability and resilience.

60. Under this targeted investment, the GEF focus is three-fold. First, GEF will provide support to establish protection for Crop Wild Relatives (CWR) in-situ through CWR Reserves. Second, the GEF will support in-situ conservation and sustainable use, through farmer management, of plant genetic resources in Vavilov Centers of Diversity. Third, the GEF will also support conservation and sustainable use of animal genetic resources and actions to conserve the wild relatives of domesticated livestock, not solely focusing on breeds. This focus will complement the thematic and geographic focus of the "Sustainable Food Systems, Land Use, and Restoration Impact Program".

61. Locations for wild relatives of 14 major global food crops (finger millet, barley, sweet potato, cassava, banana/plantain, rice, pearl millet, garden pea, potato, sorghum, wheat, fava

bean, cowpea and maize) have been mapped.¹³ These centers of crop genetic diversity are likely to contain priority sites for other crop gene pools. GEF investment in CWR reserves would focus on these areas; however, support to managing priority CWR reserves mapped and identified at national level that complement global level assessments undertaken by FAO and others would also be eligible if the CWR in question were of global significance.¹⁴

62. The GEF will also support in-situ conservation and sustainable use, through farmer management (focusing on Vavilov Centers of Diversity for plant genetic resources). This approach allows continuing evolution and adaptation of cultivated plants and domesticated animals and also meets the needs of rural communities, including indigenous peoples and local communities, especially women, who often depend on agricultural biodiversity for their livelihoods through its contribution to food security and nutrition, medicines, fodder, building materials and other provisioning services as well through support for ecosystem function. Women's participation will be particularly critical, given the primary role that women play in agrobiodiversity management. In-situ conservation in production landscapes helps improve sustainability and resilience.

63. Results from these investments may also generate important co-benefits for the International Treaty on Plant Genetic Resources for Food and Agriculture.

Inclusive Conservation

64. It is estimated that nearly a quarter of the Earth's surface and vast ocean areas are managed by indigenous peoples and local communities (IPLCs) and these areas hold 80% of the Earth's biodiversity.¹⁵ In addition, an estimated 37.7 billion metric tons of carbon is contained in lands where IPLCs have full legal tenure.¹⁶

65. To date, IPLCs' efforts to maintain their territories have been critically important in providing global environmental benefits. Recent studies have shown that when the rights of IPLCs to their land and natural resources are respected, deforestation rates are lower than in government-managed areas and that local participation in conservation management can improve biodiversity outcomes.^{17,18}

66. Because of their role as stewards of the global environment, the GEF has sought to support IPLCs since its pilot phase. In recent Annual Monitoring Reports, about 17% of GEF full- and medium-size projects have substantive IPLCs engagement. The GEF's Small Grants Program

¹³ Second State of the World's Plant Genetic Resources for Food and Agriculture. 2009 FAO, Rome.

¹⁴ A global approach to crop wild relative conservation: securing the gene pool for food and agriculture, 2010, Kew Bulletin, Vol. 65: 561-576. Maxted, Nigel et. al.

¹⁵ Sobrevila, C. 2008. The Role of Indigenous Peoples in Biodiversity Conservation: The Natural but Often Forgotten Partners. World Bank.

¹⁶ Stevens, C. et al. Securing Rights, Combating Climate Change: How Strengthening Community Forest Rights Mitigates Climate Change. WRI.

¹⁷ Forest carbon in Amazonia: the unrecognized contribution of indigenous territories and protected natural areas. Wayne Walker et al. Carbon Management Vol. 5 , Iss. 5-6, 2014.

¹⁸ Social and Ecological Synergy: Local Rulemaking, Forest Livelihoods, and Biodiversity Conservation Lauren Persha et al. Science 331, 1606 (2011).

(SGP) has historically provided about 15% of its grants to IPLC organizations , and the successes in these small projects show the potential impact of larger investments.

67. Building on this foundation, the GEF will work with indigenous peoples and local communities, national governments, NGOs, and others to strengthen the capacity of IPLCs to conserve biodiversity.

68. GEF projects funded with the regional/global set aside will focus in geographies where IPLC territories that are home to globally significant biodiversity, and that may also include important carbon stocks, are under threat.

69. Project investments will focus on:

- Site-based conservation and sustainable use;
- Sustainable financing of IPLCs-driven conservation; and
- Capacity development for IPLC organizations and integration of diverse knowledge systems to achieve conservation and sustainable natural resource management outcomes.

Food Systems, Land Use and Restoration Impact Program

70. The Food Systems, Land Use and Restoration Impact Program aims to transform food value chains by supporting countries to meet their growing food demands through higher productivity gains from crops and livestock, while at the same time avoiding the potential resulting loss of biodiversity and ecosystem services, erosion of crop and livestock genetic diversity, overexploitation of water resources, overuse of chemical fertilizers and pesticides, and inefficient practices that lead to GHG emissions, food loss and waste.

71. Building on the GEF-6 programs on commodities, food security, and restoration, this impact program will allow several entry points for countries to implement sustainable land use plans that can meet their multiple objectives of food production and sustainable natural resource management. Depending on the context and decisions guided by integrated land use planning, the Program may support countries committed to better managing biodiversity in production landscapes and harnessing biodiversity for sustainable agriculture. Therefore, the IP will make a contribution to Outcome 5 of the Four-year Framework: *“Biodiversity supporting key agricultural ecosystems, such as through pollination, biological pest control, or genetic diversity, is conserved and managed, contributing to sustainable agricultural production.”*

Sustainable Cities Impact Program

72. Through the Sustainable Cities Impact Program, the GEF will also promote integration of biodiversity conservation priorities into urban planning, specifically to safeguard globally significant biodiversity and associated ecosystem services affected by urbanization. Therefore, the IP will make a contribution to Outcome One of the Four-year Framework “Financial, fiscal,

and development policies, as well as planning and decision-making take into account biodiversity and ecosystem values, in the context of the different tools and approaches used by Parties to achieve the Aichi Biodiversity Targets”.

Sustainable Forest Management (SFM) Impact Program

73. The global community recognizes the importance of forests for their role in sustaining biodiversity, their ability to provide a range of important environmental services and their potential to contribute to many countries’ sustainable development plans. The SFM Program will focus on biomes of global importance for biodiversity and humanity: the Amazon, the Congo Basin, and Drylands, which will include forests and trees outside forests in dryland landscapes, where transformative impacts and multiple environmental benefits can be achieved. These three geographies host globally important biodiversity, store large amounts of carbon, and provide livelihoods to forest dependent communities. Investments in the SFM IP in GEF-7 will advance the work under the Biodiversity Focal Area in supporting the protection of High Conservation Value (HCV) forests and managing biodiversity in forested landscapes at the ecosystem scale.

Sustainable Fisheries/International Waters Focal Area Strategy

74. GEF support through the International Waters Focal Area will promote sustainable fishing practices and strengthen ecosystem governance both at national and regional level to maintain productivity while sustaining biodiversity within fisheries. GEF-7 will build on, strengthen, and expand existing partnerships and address national and shared fisheries by supporting existing governance goals and targets established through Regional Fisheries Management Organizations (RFMOs), the 2009 Port State Measures Agreement and the FAO Voluntary Small-Scale Fisheries Guidelines. The IW strategy will therefore make a significant contribution to Outcome 7 of the Four-year Framework: Anthropogenic pressures on vulnerable coastal and marine ecosystems, including coral reefs, mangroves and seagrass beds, and associated ecosystems, including pollution, overfishing and destructive fishing, and unregulated coastal development, are reduced, thus contributing to ecosystem integrity and resilience.

*Objective 2. Address direct drivers to protect habitats and species*¹⁹

75. GEF-7 provides three main entry points for countries to address direct drivers of biodiversity loss:

- Prevention, Control and Management of Invasive Alien Species.
- Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate.
- International Waters Focal Area/Coastal and Marine Protected Areas

¹⁹ Please see Annex 2 which maps the various programming options available to countries against the priorities and outcomes of each objective as identified by CBD COP 13.

Prevention, Control and Management of Invasive Alien Species

76. Invasive alien species (IAS) are non-native organisms that cause or have the potential to cause harm to the environment, economy and human health. The globalization of trade, travel, and transport is greatly increasing the rate at which IAS move around the world, as well as the diversity and number of species being moved. The intensities and global patterns of disturbance are changing more rapidly today than ever before; however national level responses and legislation to prevent the introduction of IAS remains woefully inadequate. IAS can exert a heavy economic toll on national governments, industries, and the private sector. For example, global estimates of the annual economic damage from invasive species worldwide totals more than USD 1.4 trillion or 5% of the global economy.²⁰ IAS can impact human health through disease epidemics, and pathogens and parasites may themselves be IAS or may be introduced by invasive vectors.

77. Islands are particularly susceptible to the impacts of IAS. Islands have exceptionally high numbers of endemic species, with 15% of bird, reptile and plant species on only 3% of the world's land area. The conservation significance of islands is highlighted by global analyses showing that 67% of the centers of marine endemism and 70% of coral reef hotspots are centered on islands.

78. The isolated nature of islands can also provide some advantages in efforts to minimize the spread and impact of IAS in a cost-efficient manner. Terrestrial and freshwater IAS have difficulty colonizing islands. Furthermore, the contained nature and relatively small size of islands enables the implementation of cost-effective response measures to prevent introductions, and to control and manage IAS that become established. Therefore, during GEF-7 support will focus on island ecosystems. This focus is driven not only by programming demand, but by an ecological imperative: IAS are the primary cause of species extinctions on island ecosystems and if not controlled can degrade critical ecosystem services on islands such as the provision of water. The focus also responds to the opportunity offered by the stronger interest to advance IAS management on the part of island states and countries with island archipelagos and the opportunity that island ecosystems provide to demonstrate success in addressing the problem of IAS. Such success may in turn generate greater attention and interest in the comprehensive pathways management approach being promoted through these investments.

79. GEF will support the implementation of comprehensive prevention, early detection, control and management frameworks that emphasize a risk management approach by focusing on the highest risk invasion pathways. Targeted eradication will be supported in specific circumstances where proven, low-cost, and effective eradication would result in the extermination of the IAS and the survival of globally significant species and/or ecosystems. While GEF will maintain a focus on island ecosystems and strongly engage with island states to advance

²⁰ Pimentel, D., McNair, S., Janecka, J., Wightman, J., Simmonds, C., O'Connell, C., Wong, E., Russel, L., Zern, J., Aquino, T. and Tsomondo, T. 2001. Economic and environmental threats of alien plant, animal, and microbe invasions. *Agriculture, Ecosystems and Environment* 84: 1-20.

this agenda, projects submitted by continental countries that address IAS management through the comprehensive pathways approach outlined above will also be supported.

Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate

80. GEF support to the establishment and management of protected area systems and associated buffer zones and biological corridors has arguably been one of GEF's greatest achievement during the last 25 years. Supporting the management of protected areas is not only a sound investment in biodiversity conservation and sustainable use, but also provides significant additional socio-economic and environmental benefits beyond the existence value of biodiversity.

81. GEF support aims to strengthen three elements of a sustainable protected area system: 1) effective protection of ecologically viable and climate-resilient representative samples of the country's ecosystems and adequate coverage of threatened species at a sufficient scale to ensure their long term persistence; 2) sufficient and predictable financial resources available, including external funding, to support protected area management costs; and 3) sustained individual and institutional capacity to manage protected areas such that they achieve their conservation objectives.²¹

82. GEF will continue to promote the participation and capacity building of indigenous peoples and local communities, especially women, in the design, implementation, and management of protected area projects through established frameworks such as Indigenous and Community Conserved Areas.²² GEF will also promote protected area co-management between government and indigenous peoples and local communities where such management models are appropriate.

83. Developing climate-resilient protected area systems remains a challenge because the scientific understanding and technical basis for informed decision-making on adaptation or resiliency measures are in their nascent stages. However, despite this significant challenge, GEF will continue to support the development and integration of adaptation and resilience management measures as part of protected area management projects.

84. GEF has been investing in improving financial sustainability of protected area systems for the past decade, but system-wide funding gaps remain at the national level in many GEF-eligible countries that have received GEF support. Restricted government budgets in many countries have reduced the financial support for protected area management and many are chronically underfunded and understaffed. Thus, new financing strategies for protected area systems are critical to reduce existing funding gaps and improve management.

²¹A protected area system could include a national system, a sub-system of a national system, a municipal-level system, or a local level system or a combination of these.

²² Indigenous and Community Conserved Areas are natural sites, resources and species' habitats conserved in voluntary and self-directed ways by indigenous peoples and local communities.

85. The GEF-7 strategy prioritizes the development and implementation of comprehensive, system-level financing solutions. Previous GEF projects have too often been focused on business plans and strategy development, with minimal project resources or time dedicated to actual implementation of the financing strategies. In addition, GEF's experience has demonstrated the need for a long-term plan for reducing the funding gap for protected area management, thus, individual GEF projects must be part of a larger sustainable finance plan and context, and countries may require a sequence of GEF project support over a number of GEF phases to achieve financial sustainability.

86. GEF-supported interventions will use tools and revenue mechanisms that are responsive to specific country situations (e.g., conservation trust funds, systems of payments for environmental services, debt-for-nature swaps, economic valuation of protected area goods and services, access and benefit sharing agreements, etc.) and draw on accepted practices developed by GEF and others. GEF will also encourage national policy reform and incentives to engage the private sector (concessions, private reserves, etc.) and other stakeholders to improve protected area financial sustainability and management.

87. GEF support will contribute to the achievement of Aichi Target 11 to conserve 17% of terrestrial and inland water and 10% of coastal and marine areas. However, new protected areas established with GEF support must be globally significant, as defined by the Key Biodiversity Area (KBA) standard. The GEF will continue to support investments to increase the representation of globally significant terrestrial and inland water, and coastal and marine ecosystems in protected area systems per the KBA standard, including all under-protected biomes such as the tropical and subtropical moist broadleaf forests found in the Himalayan region, temperate grasslands, savannas and shrublands found in South America, along with other priority biomes.

88. GEF will support efforts to address the marine ecosystem coverage gap within national level systems through the creation and effective management of coastal and near shore protected area networks, including no-take zones, to conserve and sustainably use marine biodiversity.

Coastal and Marine Protected Areas/International Waters Focal Area Strategy

89. Key coastal and marine habitats, such as deltas, mangroves, salt marshes, sea grasses and coral reefs, are essential to many nations' economic development and are important repositories of biodiversity. They sustain fisheries, provide coastal protection, sequester carbon, filter run-off water, and are tourist attractions. Through the International Waters Focal Area Strategy, GEF will support the establishment of new coastal and marine protected areas and improve the management effectiveness of existing marine protected areas and restore degraded key marine habitats, with the context of existing TDA-SAPs and in Large Marine Ecosystems.

Objective 3. Further develop biodiversity policy and institutional frameworks²³

90. GEF-7 provides three main entry points for countries to strengthen biodiversity policy and institutional frameworks:

- Implement the Cartagena Protocol on Biosafety.
- Implement the Nagoya Protocol on Access and Benefit Sharing.
- Improve Biodiversity Policy, Planning, and Review.

Implement the Cartagena Protocol on Biosafety

91. The Cartagena Protocol on Biosafety (CPB) seeks to ensure an adequate level of protection in the field of the safe transfer, handling, and use of living modified organisms resulting from modern biotechnology that may have adverse effects on biological diversity. While rooted in the precautionary approach, the CPB recognizes modern biotechnology as having great potential for the promotion of human well-being, particularly in meeting critical needs for food, agriculture, and health care. The Protocol sets the parameters to maximize the benefit that biotechnology has to offer, while minimizing the possible risks to the environment and to human health.

92. GEF's strategy to build capacity to implement the CPB prioritizes the implementation of activities that are identified in country stock-taking analyses and in the COP guidance to the GEF, in particular the key elements in the recently adopted framework and action plan for capacity building for effective implementation of the CPB at the sixth COP serving as the Meeting of the Parties to the CPB (COP-MOP 6) and the Strategic Plan for Biosafety, 2011-2020 agreed at COP-MOP 6. By the end of GEF-6, as many as 64 countries will have received support for implementation of their National Biosafety Frameworks (NBFs); however, another 71 eligible countries have yet to request support to implement their NBFs. GEF-7 will provide the opportunity for these countries to seek support for these initial phases of basic capacity building.

93. The GEF will support the ratification of the Protocol by the countries that have not done so and also support the implementation of National Biosafety Frameworks in these remaining countries. Parties will be supported to implement the provisions of the Protocol, including capacity-building related to risk assessment and risk management in the context of country-driven projects, and enhancing public awareness, education and participation concerning the safe transfer, handling and use of living modified organisms. GEF experience has shown that these kinds of approaches are effective where stock-taking assessments support the potential for coordinating biosafety frameworks, interchange of regional expertise, and capacity building in common priority or focal areas to develop the capacities of groups of countries lacking competences in relevant fields.

²³ Please see Annex 2 which maps the various programming options available to countries against the priorities and outcomes of each objective as identified by CBD COP 13.

94. The GEF will support thematic projects addressing some of the specific provisions of the Cartagena Protocol. These projects should be developed at the regional or sub-regional level and built on a common set of targets and opportunities to implement the Protocol beyond the development and implementation of NBFs.

95. The GEF will also provide support for the ratification and implementation of the Nagoya-Kuala Lumpur Supplementary Protocol on Liability and Redress to the CPB.

Implement the Nagoya Protocol on Access and Benefit Sharing

96. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization provides a legal framework for the effective implementation of the third objective of the Convention on Biodiversity (CBD). The Protocol was adopted by the Conference of the Parties to the Convention on Biological Diversity at its tenth meeting on 29 October 2010 in Nagoya, Japan, entered into force on 12 October 2014, and 102 parties have ratified the Protocol to date.

97. The successful implementation of ABS at the national level has the potential to make considerable contributions to biodiversity conservation and sustainable use, and thus is relevant to successful implementation of the Strategic Plan for Biodiversity. As such, projects developed for funding under other GEF modalities will be encouraged to explore the potential and relevance of ABS to contribute to specific project and program objectives.

98. GEF will support national and regional implementation of the Nagoya Protocol and, if still required in specific countries, targeted capacity building to facilitate ratification of the Protocol. As such, the GEF will support the following core activities to comply with the provisions of the Nagoya Protocol:

- Stocktaking and assessment. GEF will support gap analysis of ABS provisions in existing policies, laws and regulations, stakeholder identification, user rights and intellectual property rights, and assess institutional capacity including research organizations;
- Development and implementation of a strategy and action plan for the implementation of ABS measures. (e.g. policy, legal, and regulatory frameworks governing ABS, National Focal Point, Competent National Authority, Institutional agreements, administrative procedures for Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT), monitoring of use of genetic resources, compliance with legislation and cooperation on transboundary issues);
- Development (or revision) of national measures to implement and enforce the Protocol (e.g. the legislative, administrative or policy measures on access and benefit-sharing); and
- Building capacity among stakeholders (including indigenous peoples and local communities, especially women) to negotiate between providers and users of genetic resources. Countries may consider institutional capacity-building to carry out research

and development to add value to their own genetic resources and traditional knowledge associated with genetic resources. The GEF will also support the participation in the ABS Clearing-House Mechanism.

99. The GEF will also enhance national implementation of the Nagoya Protocol through regional collaboration. Regional collaboration would help build capacity of countries to add value to their own genetic resources and traditional knowledge associated with genetic resources and avoid duplication of regulatory mechanisms while encouraging intra-regional collaboration. Regional collaboration can also address the financial and human resource constraints faced by small or least developed countries through sharing regulatory and scientific resources.

100. In recognition of the importance of genetic resources for food and agriculture and in achieving food security worldwide, the GEF will consider projects for the mutually supportive implementation of the Nagoya Protocol and the International Treaty on Plant Genetic Resources for Food and Agriculture.

Improve Biodiversity Policy, Planning, and Review (Enabling Activities)

101. Enabling activity support will be provided to all GEF-eligible countries to revise their NBSAP, and/or to produce the National Report to the CBD as well as their national reporting obligations under the Cartagena Protocol and Nagoya Protocol that will be identified during upcoming COPs and COP-MOPs with submission dates to the CBD during the GEF-7 period.

CLIMATE CHANGE FOCAL AREA STRATEGY

Global Context of Climate Change

102. Climate change continues to present a growing and significant global challenge to humanity and the biosphere in the 21st century.

103. The Paris Agreement, which was adopted at COP 21 in December 2015 and entered into force in November 2016,²⁴ aims “to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty” including by holding the increase in the global average temperature well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, increasing the ability to adapt to impacts of climate change, and making finance flows consistent with a low GHG emissions and climate-resilient development.²⁵

104. With entry into force of the Paris Agreement, the global community has entered a new era of climate action with an emphasis on implementation in all countries with transparency. Action from both developed and developing countries is needed.

105. Each Party is to put forward every five years a nationally determined contribution (NDC) that it intends to achieve. Every five years, a global stocktake will assess the collective progress towards achieving the purpose of the Agreement and its long-term goals. The outcome of the global stocktake is to inform the preparation of future NDCs. Further, the Agreement includes provisions on finance, technology, and capacity-building to support action by developing countries and the most vulnerable countries. The Agreement also provides for enhanced transparency of action and support through a more robust transparency framework.

106. Implementation of the Paris Agreement can contribute to the achievement of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). Adverse impacts from climate change can undo the progress made in development and exacerbate threats such as food and water scarcity, ocean acidification, disproportionately burdening the poorest and most vulnerable. Beyond SDG 13: Climate Action, a transformation to low-emission, climate-resilient pathways can contribute to achieving and preserving the other SDGs such as SDG 2: Zero Hunger, SDG 7: Affordable and Clean Energy, SDG 9: Industry, Innovation and Infrastructure, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production, SDG 14: Life Below Water and SDG 15: Life on Land.

107. The 2017 Climate Change Focal Area Study carried out by the Independent Evaluation Office (IEO) concludes that “activities funded by other focal areas and initiatives, along with [multi-focal area] MFA projects, are poised to deliver significant global environmental benefits (GHG emission reductions) that may be greater than those achieved by activities financed by the climate change focal area alone. Hence, beyond the Climate Change Focal Area Strategy, the GEF

²⁴ As of February 2017, 132 of the 197 Parties to the Convention Parties have ratified the Paris Agreement.

²⁵ "Paris Agreement". United Nations Treaty Collection. 8 July 2016.

will deliver considerable climate change benefits from projects and programs financed under other focal areas. These cross-focal area contributions represent an important share of the GEF's overall contribution towards climate finance. Looking forward, based on the proposed Programming Directions, the Secretariat will monitor the share of "climate-related finance"²⁶ in GEF-7 and provide that it does not fall below 60% of all funding commitments over the four-year period.

Conference of the Parties (COP) Guidance to the GEF

108. The GEF-7 period (2018 to 2022) coincides with a key phase in the implementation of the Paris Agreement. Article 9 of the Paris Agreement confirmed that as an operating entity of the Financial Mechanism of the Convention, the GEF would serve as financial mechanism of the Agreement. Further, Article 13 establishes an enhanced transparency framework for action and support. The COP decision adopting the Paris Agreement urged and requested the GEF to make arrangements to support the establishment and operation of a Capacity-building Initiative for Transparency (CBIT), including through voluntary contributions to support developing countries during GEF-6 and future replenishment cycles.

109. The GEF-7 framework is structured to address these seminal COP decisions for the Paris Agreement, and to further support climate action in developing countries in line with the GEF's role as an operating entity of the financial mechanism of the UNFCCC. The framework is aligned with GEF's comparative advantage to foster innovative project designs; proven track record of support for technology transfer; and ability to attract private sector co-financing.

110. The most recent UNFCCC COP guidance to the GEF was provided at COP 23 in Bonn, Germany in 2017. The COP reiterated its call upon Parties to ensure a robust seventh replenishment taking into consideration the Paris Agreement. The COP also encouraged the GEF to further enhance engagement with the private sector, including in technology projects, and invited the GEF to support developing countries in undertaking technology needs assessments (TNA) and piloting priority technology projects to foster innovation and investment. The COP further welcomed the operationalization of the CBIT and requested the GEF to provide adequate support in line with the COP 21 decision requesting its establishment and operation. Parties at COP 23 also adopted a new gender action plan that aims to advance the mainstreaming of a gender perspective into all elements of climate action.

111. Prior guidance encouraged alignment of GEF-7 programming with priorities identified in countries' NDCs, where they exist, and to continue to promote synergies across focal areas. It requested the GEF to provide enhanced support, including enabling activities in the context of national climate strategies and plans, and to continue to assist, in particular, the least developed countries (LDCs) and small island developing states (SIDS) in efficiently accessing resources. In

²⁶ For the purposes of reporting to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC), the GEF has defined "climate-related finance" as GEF financing that contributes towards climate change mitigation or adaptation as a principal or a significant objective, consistent with the Rio Marker methodology (<http://www.oecd.org/dac/environment-development/rioconventions.htm>).

addition, the COP has encouraged the GEF to further expand the use of non-grant instruments and requested the GEF to take into consideration climate risks in all its programs and operations. On capacity building, the GEF has been requested to continue to support activities related to the implementation of Article 6 of the Convention. On technology transfer, the GEF has been encouraged to continue enhancing collaboration with the Climate Technology Centre and Network (CTCN), and to strengthen linkages between the Technology Mechanism and the Financial Mechanism.

112. In light of the Paris Agreement, the SDGs, and consistent with COP guidance, GEF-7 will build on its unique capacity to integrate multi-focal area priorities across the MEAs to deliver greater global environmental benefits and on the GEF's proven track record to support technology transfer, pilot and demonstrate innovative business models and technologies, and catalyze climate finance.

GEF-7 Climate Change Focal Area Investments and Associated Programming

113. The establishment and operationalization of the Green Climate Fund (GCF) has added to the evolving context in which the GEF operates. The GEF-7 Climate Change Focal Area Strategy is specifically designed to be complementary to programming by the GCF and other climate funds, based on the GEF's unique role in the global environmental finance architecture to lay the foundation for enhanced climate action, namely by 1) harnessing synergies across the different focal areas in line with an integrated approach to generate multiple global environmental benefits; and 2) building on the GEF's long-standing track record of driving innovation and funding demonstration and pilot activities that are too early in the market adoption chain to be within the reach of other providers of environmental finance. Building on the GEF-6 Focal Area Strategy and in alignment with UNFCCC COP guidance, the GEF-7 Climate Change Focal Area Strategy aims to support developing countries to make transformational shifts towards low emission and climate-resilient development pathways. To achieve this goal, the strategy continues to emphasize three fundamental objectives:

- Promote innovation and technology transfer for sustainable energy breakthroughs;
- Demonstrate mitigation options with systemic impacts; and
- Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies.

114. In GEF-7 these objectives will be addressed through country driven investments in the focal area and specific impact programs. Detailed descriptions for the focal area objectives are provided below, including eligible activities and entry points within the focal area or in relevant impact programs.

Objective 1. Promote innovation and technology transfer for sustainable energy breakthroughs

115. In GEF-7, partnership with the private to promote technology transfer and deployment will be a key priority. Technology is key area for the UNFCCC and in Article 10 of the Paris Agreement, and is one of the key means to reduce, or slow the growth in GHG emissions, and to stabilize their concentrations. To that end, technology innovation with the private sector can help create or expand markets for products and services, generating jobs and supporting economic growth. Supportive policies and strategies are fundamental to catalyze innovation and technology transfer for mitigation and enhance private sector investment. Resources from the GEF play a key role in piloting emerging innovative solutions, including technologies, management practices, supportive policies and strategies, and financial tools which foster private sector engagement for technology and innovation.

116. The objective to promote innovation and technology transfer for sustainable energy breakthroughs has four entry points:

- De-centralized renewable power with energy storage;
- Electric drive technologies and electric mobility;
- Accelerating energy efficiency adoption; and
- Cleantech innovation.

117. These four entry points have been prioritized to be innovative, align with NDCs, and be complementary to other financial mechanisms.

118. Sustainable energy is vital, as energy related carbon emissions are the major driver of climate change; therefore, transformation of energy systems is key to achieving the Paris Agreement and the SDGs. Emissions from the transport sector in particular are growing rapidly and countries need solutions. The rapid decline in costs of low-carbon energy technologies has provided an opportunity for rapid growth in sustainable energy supply. However, the speed and scale of sustainable energy investment in developing countries is far from what it is needed to address climate change and attain the SDGs. Energy demand in many developing countries is expected to continue to rise rapidly driven by economic and population growth.

119. In order to transform energy systems at the pace and scale needed to meet country development priorities and NDC targets, developing countries must ensure that the rapidly growing supply of low-carbon energy is connected to consumers in the most efficient and cost-effective manner. Thus, broad sectoral interventions and innovative business models that go beyond business as usual must be fostered. The four entry points in this objective address areas of disruption in the energy sector where new technologies and policies are creating tremendous opportunity to transform the sector.

120. Innovation is vital and builds on the GEF's proven track record of establishing enabling conditions through policy and regulatory reform, and fostering innovative and risk-taking opportunities to promote climate change mitigation. Many of the GEF's prior investments provided support for a new technology or business model that was on the cusp of maturity, which enabled it to become competitive in the marketplace and foster widespread adoption.

121. To take advantage of the GEF's comparative advantage, programming under this objective does not prioritize direct support for large-scale deployment and diffusion of mitigation options with GEF financing only. Rather, GEF-7 resources should be utilized to reduce risks and enhance enabling environments, so that the results can facilitate additional investments and support by other international financing institutions, the private sector, and/or domestic sources to replicate and scale up in a timely manner.

122. This focal area objective supports innovation and technology transfer at key early and middle stages of development, focusing on the demonstration and early deployment of innovative technologies to deliver sustainable energy solutions that control, reduce or prevent GHG emissions.

123. In addition to country projects, focused interventions may be delivered through programmatic approaches or regional projects.

De-centralized renewable power with energy storage

124. Grid modernization and integration of energy storage are critically needed to facilitate the rapid growth of renewable energy in a cost-effective manner. In numerous developing countries, the rapid growth of renewable energy, and rapid changes due to climate change, are severely impacting the ability of the utility grid to provide reliable low-carbon electricity. Just as importantly, de-centralized generation is challenging traditional utility models, creating opportunities and challenges for rapid growth of low-carbon energy. Energy storage technology has emerged as a new disruptor, changing market dynamics with rapidly improving technology capacity and declining costs, but the technology is not yet reaching many countries. The GEF will support countries that have identified power sector transformation through mini-grids, energy storage, and new business models.

Electric drive technologies and electric mobility

125. The GEF support for low-carbon transport options has covered the full spectrum of investments from alternative fuel vehicles and fuel efficient vehicles to bus-rapid-transit and bicycle sharing programs. Based on technology advances and market trends, the electric vehicle market is already growing rapidly and is poised to radically change the need for fossil fuels in the transport sector. Coupled with new, low-carbon sources of renewable energy, electric vehicles are both efficient, low-carbon, and can improve grid reliability. Many countries also see the burgeoning market for electric drive technologies as a jobs creator through new opportunities in manufacturing, infrastructure, and services. Electric drive technologies significantly reduce local air pollution. Still, barriers to adoption of electric mobility are significant and true commercial

scaling has not yet been achieved. The GEF will support countries seeking to foster appropriate regulatory frameworks, plan for disruptive market changes, and foster integration of electric vehicles into the grid.

Accelerating energy efficiency adoption

126. Despite the availability of energy efficiency technology and proven approaches, the adoption and uptake of energy efficiency policies, measures, and technologies has not reached its full potential. Building on a successful GEF-6 partnership with SEforAll, in GEF-7 additional countries will be supported through the energy efficiency accelerators. The accelerators share common approaches across diverse sub-sectors, including Buildings, District Heating and Cooling, Energy Management for Industry, Equipment and Appliances. The accelerators promote global best practices, foster harmonization of testing and performance standards, and provide technical assistance to countries needing targeted engagement. These accelerators identify critical barriers to adoption of energy efficiency and pilot approaches that can be further scaled by other institutions, including the private sector. A new accelerator for addressing the need of energy efficiency retrofits in multi-family dwellings will be considered. Accelerator models based on the Finance and Technology Transfer Centre for Climate Change (FINTECC) model may be considered.

Cleantech innovation

127. The GEF will support countries that wish to foster technology deployment, dissemination, and transfer through entrepreneurship and with a special emphasis on SMEs and private sector partnerships. In GEF-6, eight countries participated in the GEF Global Cleantech Innovation Programme (GCIP) promoting innovation in energy, water, and buildings. Over 900 private sector companies have been trained, mentored, and introduced to funding opportunities. Hundreds of the innovators and companies are women-owned and operated. In many cases these companies are already up and running, attracting investment, making innovative products, and delivering environmental benefits. Working in partnership with these early stage private sector innovators can open the door to needed investment. A small sample of just ten private sector companies supported through GCIP has raised USD 22 million in investment and created over 300 jobs while reducing 600,000 tCO₂e. Through fostering of innovation and training a new generation of entrepreneurs, countries will be able to partner with the private sector to accelerate technology transfer, support small and medium enterprises, and create jobs.

Objective 2. Demonstrate mitigation options with systemic impacts

128. Climate change affects virtually all natural and economic systems. This interaction between climate change and biodiversity, land degradation, forests, chemicals and waste, and international waters points to the importance of recognizing climate change implications in all GEF-7 focal areas and impact programs by harnessing mitigation options to address them and integrating climate resilience measures to address climate change risks. The GEF has the unique ability to support natural solutions developed with systems thinking that take advantage of synergies to seek multiple global environmental benefits across Conventions while reducing trade-offs and duplication.

129. Accordingly, demonstrating mitigation options with systemic impacts can achieve additional benefits when conducted in holistic and integrated fashion through the GEF-7 impact programs; specifically, the Sustainable Cities, Food Systems, Land and Restoration, and Sustainable Forest Management Impact Programs.

Sustainable Cities Impact Program

130. The Sustainable Cities Impact Program will be critical to address both short-term and long-term climate change challenges in the rapidly growing urban sector. The Sustainable Cities Impact Program targets urban interventions with significant climate change mitigation potential to help cities shift towards low-emission and resilient urban development in an integrated manner. Cities must be empowered to effectively support the implementation of NDCs and low-carbon development pathways. Examples of low-carbon technologies and practices needed in the urban sector include energy efficiency (buildings, lighting, air conditioning, transport, district heating systems), renewable energy development (solar, wind, co-generation, waste-to-energy), and solid waste and wastewater management. Stronger land use and transport planning will lead to long-term emissions reduction in the urban sector and support resilient development.

Food Systems, Land Use and Restoration Impact Program

131. The Food Systems, Land Use and Restoration Impact Program provides the opportunity for an integrated approach to foster climate smart agriculture and sustainable land management while also increasing the prospects for food security for smallholders and communities that are dependent on farming for their livelihoods. Restoring agricultural productivity while also reducing GHG emissions is key for countries to jointly meet their NDCs and SDG goals. This Impact Program will also foster a sustainable supply chain with regard to production, processing, and demand for key agricultural commodities that is vital to long-term emissions reductions from agriculture through avoided deforestation of tropical forests. In addition, the Impact Program will also support measures that increase carbon storage in farmlands, and may include reduced tillage, integrated crop-livestock, agroforestry and other innovative soil quality improving techniques that clearly target sustainable and scalable GHG emissions reductions.

Sustainable Forest Management Impact Program

132. The GEF's historic SFM investments have already demonstrated the significant climate change benefits available through integrated approaches on forests. In GEF-7, the Sustainable Forest Management Impact Program will foster low-carbon strategies in the Amazon, the Congo Basin, and dryland forests. Taken together, these three biomes are critical to halting the release of GHG emissions through avoided deforestation and by enhancing carbon stocks above and below ground. The GEF's commitment to addressing climate change through this Impact Program is aligned with NDCs of countries that have identified forest and land-based emissions as a large proportion of their national GHG emissions.

Objective 3. Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies

133. The GEF continues to address the need for enabling conditions to mainstream climate change concerns into the national planning and development agenda through its support for enabling activities, including Convention obligations and the Capacity-building Initiative for Transparency through sound data, analysis, and policy frameworks.

134. As in prior GEF cycles, under the GEF-7 Climate Change Mitigation Strategy countries will have access for Convention obligations and CBIT support from set-asides that do not draw on country allocations. Country allocations will be available to deliver on other enabling activities. All projects will be required to demonstrate alignment to national priorities including in national climate strategies and plans, NDCs, Technology Needs Assessments, National Communications, and Biennial Update Reports.

135. This objective will be delivered directly through focal area projects and enabling activities, with the following entry points:

- Capacity-building Initiative for Transparency;
- NDC preparation; and
- Enabling activities.

Capacity-building Initiative for Transparency

136. The CBIT launched in GEF-6 will be mainstreamed in the GEF-7 Climate Change Mitigation Focal Area Strategy to support projects that build institutional and technical capacity to meet the enhanced transparency requirements in the Paris Agreement. The CBIT, as per paragraph 85 of the COP decision adopting the Paris Agreement, will aim:

- To strengthen national institutions for transparency-related activities in line with national priorities;
- To provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement; and
- To assist in the improvement of transparency over time.

137. The Paris Agreement in Article 13 establishes an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience.

138. The purpose of the framework for transparency of action is to provide a clear understanding of climate change action in light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' nationally

determined contributions, and Parties' adaptation actions, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14 of the Paris Agreement. Specifically, each Party is required to provide the following information:

- A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties servicing as the meeting of the Parties to the Paris Agreement;
- Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4; and
- The Paris Agreement also states that countries should provide information on climate change impacts and adaptation under Article 7 of the Agreement.

139. The purpose of the framework for transparency is to provide clarity on support provided and received by relevant individual Parties, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake.

140. Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer, and capacity-building support provided to developing country Parties under Articles 9, 10, and 11 of the Agreement, and developing country Parties should provide information on financial, technology transfer, and capacity building support needed and received under these Articles.

141. The CBIT will support activities aligned with its aim at the national and regional/global levels.²⁷

NDC preparation

142. Given the timing of GEF-7, countries will have the opportunity to update their NDCs with enhanced ambition after the facilitative dialogue of 2018 provides an assessment of collective progress towards the goals of the Paris Agreement. The GEF will continue to support Parties in the preparation and communication of their NDCs, following COP guidance. Countries may use country allocations for these activities. In addition, collaboration with ongoing global programs that support NDC implementation will continue to be supported through the CBIT.

Enabling activities

143. The GEF will continue to provide resources to non-Annex I countries to prepare National Communications (NCs) and Biennial Update Reports (BURs) to comply with Convention obligations in line with COP guidance. The GEF stands ready to respond to additional COP guidance on Convention obligations and the transparency framework subject to resource availability. The GEF may also support actions and activities to sustainably develop and enhance

²⁷ For a non-exhaustive list of eligible activities please refer to the CBIT Programming Directions Document

the capacity of countries to prepare their NCs and BURs through for example a Global Support Program that provides logistical and technical support, capacity-building, and knowledge management activities, with a view to facilitating the timely preparation and submission of NCs and BURs. Countries will have access to set-aside resources for these activities. Support for technology needs assessments (TNA) will also be made eligible for small island developing states and least developed countries for this objective.

LAND DEGRADATION FOCAL AREA STRATEGY

Global Context of Land Degradation

144. The world population is projected to increase by about 2.5 billion people to 9.7 billion in 2050 (+35%) with rising demands for agricultural produce including food, feed, fiber, and fuel.

145. About 2 billion ha, or 25% of the total global land area has been affected by land degradation. Each year, an estimated 24 billion tons of fertile soil are lost globally. Agricultural GHG emissions – excluding the effects of agriculture on land-use change – make up an estimated 13% of total global emissions. In the drylands, 12 million ha of land are being degraded by desertification annually.

146. Globally, 1.5 billion people are affected by land degradation, especially rural communities, smallholder farmers, and the very poor. 70% of the world's poorest people live in rural areas and depend on agriculture for their livelihoods. Land and forest degradation processes threaten the livelihoods, well-being, food, water and energy security and increase vulnerability of millions of people, and in many cases cause migration and serious social unrest.

147. Dryland landscapes cover approximately 40% of the world's land area and support two billion people, 90% of whom live in developing countries where women and children are most vulnerable to the impacts of land degradation and drought. Dryland landscapes often face governance challenges such as low human resource capacity (e.g. low education attainment), low investment of public resources, weak penetration of government services, and insecure land tenure and resource rights.

148. Pressure on the global land resource is increasing due to the following factors: 1) growing demand for food and agricultural commodities in terms of both quantity and quality for an expanding and more affluent world population; 2) competition for productive land for biofuel, urban expansion and other non-productive uses; 3) decrease or lack of growth in productivity due to decline in soil health indicated by lower nutrient status and organic matter, and other degradation processes; 4) weakened resilience of agricultural production systems on account of depleted biodiversity and the associated ecosystem services; and 5) natural factors such as climate variability and extreme weather events. Climate change exacerbates variations in yields and income from agriculture, threatening the resilience of agro-ecosystems and stability of food production systems.

149. Gender roles have impacts on both farming and livelihood systems, but the contribution of women smallholder farmers often goes unrecognized. Women farmers often have less access to land, decision making processes, labor, credit, information, technology, and extension. Therefore, the GEF-7 LD Focal Area strategy will mainstream gender by including 1) practical gender needs – improving the conditions of women through access to resources, services and opportunities, and 2) strategic gender interests – empowering women to take decisions and be better represented in various decision making bodies.

150. At the twelfth Conference of the Parties (COP12) in Ankara,, UNCCD Parties “*Decide[d]* that striving to achieve target 15.3 of the Sustainable Development Goals (SDGs) is a strong vehicle for driving implementation of the UNCCD, within the scope of the Convention” (3/COP.12). Target 15.3 reads as “*By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation neutral world.*” In this context, the UNCCD has recognized Land Degradation Neutrality (LDN) as a tool that can help interested parties more sustainably manage their land and mobilize resources for doing so.

151. GEF’s mandate to invest in global environmental benefits from production landscapes relates directly to its role as a financial mechanism of the UNCCD. The Land Degradation focal area provides the opportunity for eligible countries to utilize GEF resources for implementing the Convention and its Strategic Framework 2018-2030.

152. Land Degradation Neutrality (LDN) is an important UNCCD concept, defined as “a state whereby the amount and quality of land resources necessary to support ecosystem function and services and enhance food security remain stable or increase within specified temporal and spatial scales and ecosystems”. The LDN concept is considered to have the potential to act as an accelerator for achieving a number of Sustainable Development Goals. Voluntary LDN targets create a measurable goal for sustainable land management, promoting a dual approach of measures to avoid or reduce degradation of land combined with measures to reverse past degradation. The minimum objective is that losses are balanced by gains so that a position of no net loss of healthy and productive land is achieved (see UNCCD Science-Policy Brief 02, Sept. 2016, “Land in Balance”).

153. At the most recent Conference of the Parties, UNCCD parties invited the GEF, during GEF-7, to continue providing technical and financial support for capacity building, reporting, and voluntary national land degradation neutrality target setting and implementation.

154. The GEF is well-placed to help countries to implement convention decisions and facilitate coordinated investments in sustainable land management (SLM) practices, including LDN. Since land degradation has both poverty and global environment dimensions, integrated solutions are required to support interventions that address both dimensions. Building synergies across the GEF delivery model and linking up with ongoing landscape restoration initiatives such as the Bonn Challenge, AFR100, and the 20 x 20 Initiative, will improve the cost effectiveness of interventions and deliver multiple outcomes toward environmental, social and economic sustainability.

Table 3. COP Decisions of Relevance for GEF-7 Land Degradation Focal Area Strategy

UNCCD COP Decision	Delivery mechanism
<p>The Land Degradation Focal Area provides the framework for eligible countries to utilize GEF resources for implementing the Convention and its new long-term (2018-2030) strategy, which contributes to:</p> <p>(i) achieving the objectives of the Convention and the 2030 Agenda for Sustainable Development, in particular regarding Sustainable Development Goal (SDG) 15 and target 15.3 and other interrelated SDGs, within the scope of the Convention;</p> <p>(ii) improving the living conditions of affected populations; and</p> <p>(iii) enhancing ecosystems services.</p> <p>COP13 <i>invites</i> the Global Environment Facility to continue its support for the implementation of the Convention under GEF-7, in the context of the Sustainable Development Goals, in particular target 15.3.</p> <p>COP13 <i>also invites</i> the Global Environment Facility, during GEF-7, to continue providing technical and financial support for capacity-building, reporting and voluntary national land degradation neutrality target-setting and implementation.</p> <p>COP13 <i>encourages</i> the Global Environment Facility to continue and further enhance means to harness opportunities for leveraging synergies among the Rio Conventions and other relevant multilateral environmental agreements, as well as the 2030 Agenda for Sustainable Development.</p> <p>COP13 <i>invites</i> the Global Environment Facility donors to use the findings and lessons learnt, contained in the report on programming and priorities in the affected regions, to inform the programming directions for the focal area in the Seventh Replenishment phase of the Global Environment Facility (GEF-7)</p>	<p>Focal Area Investments</p> <p>Integrated land management and restoration of degraded production landscapes</p> <p>Sustainable management of dryland landscapes</p> <p>Diversification of crop and livestock systems</p> <p>Creating an enabling environment to support voluntary LDN target implementation</p> <p>Voluntary LDN target setting</p> <p>UNCCD Enabling Activities</p> <p>Impact Programs</p> <p>Food Systems, Land Use, and Restoration</p> <p>Sustainable Forest Management</p> <p>Sustainable Cities</p>

GEF-7 Land Degradation Focal Area Investments and Associated Programming

155. The LD Focal Area strategy in GEF-7 has three main goals: 1) aligning GEF support to promote UNCCD's Land Degradation Neutrality (LDN) concept through an appropriate mix of investments; 2) seeking effective integration within the Impact Programs for generation of multiple benefits; and 3) harnessing private capital and expertise to finance investments in sustainable land management, in particular in coo-operation with the LDN fund and other innovative financing mechanisms.

156. GEF investment will seek to address the drivers of land degradation, robust assessment of experience and existing knowledge, and knowledge and experience gained through ongoing implementation of LD Focal Area related projects and programs. The GEF will focus on innovative approaches that can be scaled up to maximize global benefits for the environment and also address the issues of biodiversity, climate change, and local livelihoods.

157. GEF will continue to apply a comprehensive landscape approach as the best way forward to address the broad multi-faceted nature of land degradation across the range of agro-ecological and climatic zones globally. The LDN tool will inform the conceptual framework to establish baselines, targets, indicators and the metrics for monitoring and evaluation of GEF interventions.

158. The LD Focal Area investments will focus on production landscapes where agricultural and rangeland management practices underpin the livelihoods of poor rural farmers and pastoralists. A specific emphasis in GEF-7 is placed on sustainable management of drylands in arid and semi-arid zones addressing, among other issues, drought-prone ecosystems and populations.

159. Access to finance and technical assistance for smallholders and small businesses in most land sectors is a big challenge. Small and medium-sized enterprises (SMEs) are critical contributors in the agricultural sector at the leading edge of both environmental impact and solutions to mitigate these. Strategies pursued with the private sector will target SMEs that are promoting innovations agriculture and livestock production systems.

160. Several new private sector funds have emerged recently, e.g. the Moringa, & Green, and the LDN fund. These funds invest in profit-generating sustainable land management and restoration projects worldwide. The LD Focal Area will explore potential cooperation with such funds through providing the technical assistance necessary and facilitate de-risking to make projects bankable.

161. Another potential for cooperation will be explored in countries²⁸ that are already in an advanced stage or have expressed interest in bringing projects to private sector funds and may wish to utilize additional GEF STAR resources to support the establishment of the necessary institutional framework and monitoring mechanisms and/or invest in measures that create Global Environmental Benefits (GEBs).

²⁸ E.g. Brazil, Indonesia, Nicaragua, Peru, Tanzania, Zambia, Kazakhstan, Mali, and Colombia are in the pipeline for LDN funding Support.

Objective 1. Support on the ground implementation of SLM to achieve LDN

162. Objective 1 of the LD Focal Area strategy will be delivered through the following three entry points:

- Food Systems, Land Use and Restoration Impact Program;
- Sustainable Forest Management Impact Program; and
- Sustainable Cities Impact Program.

163. The three Impact Programs form a major component of the GEF delivery towards combating land degradation and deforestation in the following ways:

- *Food Systems, Land Use and Restoration:* This IP provides the opportunity for an integrated approach to implementing SLM to increase the prospects for food security for smallholders and communities that are dependent on farming for their livelihoods. It will target countries seeking to meet growing demand for increased crop and livestock production, without the risk of further expansion of farmland, erosion of genetic diversity, overexploitation of land and water resources, overuse of chemical fertilizers and pesticides, and inefficient practices that lead to greenhouse gas emissions and food loss and waste. Restoration of productive landscapes will feature as an important element of this IP, especially in drylands and production areas where agro-forestry land-use systems dominate. A huge opportunity exists to restore agricultural productivity in (degraded) agro-forestry systems by improving soil management and increasing soil organic matter content, increasing the vegetation and tree coverage, and thereby generating multiple environmental and socio-economic benefits. More than 200 million hectares has been pledged by countries through various landscape restoration initiatives such as the Bonn Challenge, Africa 100, and the Initiative 20 x 20 in Latin America. The GEF will enable countries to deliver on these commitments through investments that will shift degraded lands into production systems for food and commodities. A sustainable supply chain with regard to production, processing, and demand for key agricultural commodities is vital for achieving LDN. The synergy with arresting and reversing land degradation is on the sustainable production side, especially by involving smallholder farmers and local communities and facilitating a mutually beneficial engagement with the private sector. In this way changes to commodity production pathways can be made before irreversible damage is done to the respective agro-ecosystems;
- *Sustainable Forest Management:* Besides the focus on tropical forest landscapes in the Amazon and the Congo Basin, the SFM program seeks to avoid further degradation, desertification, and deforestation of land and ecosystems in drylands through the sustainable management of production landscapes, addressing the complex nexus of local livelihoods, land degradation, climate change, and environmental security. Main elements of the program are: 1) sustainable management of dryland forests and trees outside forests; 2) the promotion of diversified agro-ecological food production systems

in drylands; 3) integrated landscape management with particular attention to rangelands and livestock production in view of their effect on forest resources; and 4) the creation of an enabling environment to support the three objectives above. Dryland landscapes will be considered for participation in the program based on a regional balance with other Programs within the SFM IP. The focus on specific dryland geographies such as Central Asia, South Asia, the Sahel, North Africa and the Mediterranean, South Africa, and South America will allow to address a unique set of issues that are closely related to the vulnerability of social and environmental systems and their resilience; and

- *Sustainable Cities*: This IP will create opportunity for countries to integrate voluntary LDN targets into urban planning. As cities continue to expand into peri-urban areas, urbanization will increasingly encroach on productive agricultural land, which will in turn trigger the need for opening new areas for agricultural production. Thus, countries and cities need to promote improved and efficient production practices in the “urban-scape,” as part of a broader strategy to arrest and reverse land degradation, and increase diversification of the urban food system.

164. Targeted Impact Program investments will directly support voluntary LDN target implementation at national levels and are structured along the following three outcomes:

- *Dryland Sustainable Landscapes*: The main outcome is to avoid further degradation and desertification of land and ecosystems through the sustainable management of production landscapes in drylands, addressing the complex nexus of local livelihoods, land degradation, climate change, and environmental security including the mitigation of the effects of drought. Investments in drylands will generate multiple environmental benefits and secure local livelihoods by focusing on a unique set of issues that are closely related to the vulnerability of social and environmental systems and their resilience. A landscape approach will help to tailor implementation packages to a wide range of dryland landscapes in arid and semi-arid zones. The main purpose is to help participating countries to achieve LDN in poverty stricken and fragile areas. Countries pursuing this objective will have a high percentage share of arid, semi-arid, and sub-humid drylands and have set voluntary LDN targets to help accomplish this objective;
- *Diversified agro-ecological food production systems*: Diversified agro-ecological food production systems aim to improve productivity and maintain or improve flow of services that underpin food production and livelihoods. Innovative approaches will support an efficient use of land, soil, water, and vegetation in crop and livestock production systems, including temporal diversification and spatial diversification at various levels, including plot, farm and landscape (e.g. crop rotation, intercropping; mixed farming as crop-livestock and crop aquaculture systems). Private sector involvement will be important to link smallholder producers and pastoralists to markets, introduce sustainable supply chains, and create stable revenues with agricultural commodities, especially dryland commodities such as cotton, wool, leather, shea, gum Arabica, etc.; and

- *Integrated landscape management and restoration:* Integrated landscape management addresses the physical, biological and socio-economic aspects of the processes of land degradation, with specific attention to desertification and deforestation to maximize the delivery of multiple benefits in the context of food security and livelihoods of affected communities. Integrated landscape management is a comprehensive framework to invest in the management of landscape across sectors and across political or administrative boundaries in the context of sustainable development. GEF will support wide applications of innovative tools to prioritize policy reforms, investments, and other interventions to optimize the collective impact of all interventions across the landscape. Scaling up of SLM practices and the restoration of landscapes will be particularly supported, including the use of locally adapted species, agro-forestry, farmer-managed natural regeneration, and practices for sustainable supply of wood and biomass energy.

Objective 2. Creating an enabling environment to support voluntary LDN target implementation

165. An essential foundation for LDN investments is a conducive enabling framework and overarching political support through the UNCCD. Objective two of the LD Focal Area strategy will support the revision of existing and development of new national frameworks to implement, monitor, and evaluate LDN targets for countries wishing to set and achieve them.

166. GEF will provide support to:

- Creating an enabling environment to support LDN target implementation: GEF support will be primarily provided to countries in the following areas:
 - Embedding the LDN tool into the existing planning frameworks and participatory land-use planning to meaningfully involve local governments, cities and urban municipalities, local communities, indigenous peoples, and women;
 - Policy work at national levels leading to the resolution of land tenure issues that are obstacles to LDN objectives;
 - Promoting good governance especially in view of land tenure and efforts in securing livelihoods of smallholders;
 - Providing the technical assistance required to bring bankable projects to the investment;
 - Supporting smallholders through special lending and through extension systems;
 - Building capacity at all levels required to restore and maintain functional landscapes;
 - Lessons learning and knowledge exchange and south-south cooperation within regions; and

- Developing monitoring and information systems and targeted research on impacts, trade-offs, costs-benefit analysis of restoration, and identifying incremental synergies.
- UNCCD Enabling Activities: GEF support under the GEF-7 LD Focal Area strategy will include financing for UNCCD enabling activities to support the implementation of the UNCCD strategy and in accordance with countries' obligations to the convention, and based on decisions from the COP. Support will focus on UNCCD reporting obligations and formulations of National Action Plans in line with the new long-term (2018-2030) strategy. The GEF-7 LD Focal Area strategy is seeking a more strategic approach towards enabling activity support with a view to mainstreaming SDGs and enabling cross-sectoral coordination in countries. This will include a land degradation focal area set aside focusing, among other issues, on building the necessary institutional capacity and processes for cross-sectoral integration.

167. Furthermore, GEF will make targeted investments to sustain and rebuild productive areas, mitigate the effects of drought, increase resilience and prevent conflict and migration. Support will be provided in specific contexts such as in drought prone and/or fragile areas to address drivers of fragility and land and water insecurity, to reverse resource pressures, enhance or restore governance and rebuild natural resource based livelihoods and jobs. There is increasing evidence of the complex interactions between climate change, food and water insecurity, extreme events – such as e.g. prolonged and repeated droughts –, and their link to fragility, armed conflict and migration.

168. In the last 60 years, for example, between 40 and 60% of ongoing internal and interstate conflicts have been linked to land and natural resources. While natural resource pressures *per se* are rarely the determinant factor in causing fragility and social conflicts, climate change and increased climate variability, land degradation and water stress are considered risk multipliers for loss of livelihoods, conflicts and large-scale displacement especially in dryland and drought affected areas. LD Focal Area investment in this regard directly respond to UNCCD priorities, namely strategic objectives 1 and 2 on combatting desertification and land degradation and on improving livelihoods to prevent radicalization and migration, and as reconfirmed in the recent Ordos declaration confirming the clear link between land degradation and desertification as environmental, societal and economic challenges linked to poverty, water scarcity, decreased resilience, and forced migration, among other²⁹.

169. The importance of land based jobs to sustainability and stability especially in LDCs is also outlined in regional frameworks and declarations, such as e.g. the recent Ouagadougou Call for Action³⁰. By positively reinforcing the linkages between human well-being and the health of ecosystems, GEF-7 investments will aim to maintain, enhance, and restore GEBs with respect to sustainable land management and co-benefits related to water security, decreasing pollution

²⁹ http://www2.unccd.int/sites/default/files/sessions/documents/2017-09/ICCD_COP%2813%29_L.14-1716056E.pdf

³⁰ http://www2.unccd.int/sites/default/files/inlinefiles/Call%20for%20Action_Ouagadougou_FINAL%2015062017%20ENG_1.pdf

pressures, and decreasing local deforestation. These measures can contribute to decreasing fragility, increasing human resilience and delivering substantial development co-benefits. Targeting poor and vulnerable groups (such as, e.g. women, indigenous groups, and unemployed youth) in such fragile context has been linked to not only restoring productivity but preventing a slip into radicalization and/or outmigration.

170. GEF-7 support in this context will focus on (i) decreasing fragility and risks through enhancing governance of natural resources, including e.g. tenure and access rights (including potential uneven rights across gender and ethnic groups) and/or decreasing resource pressures and enhancing natural resource based employment and livelihoods; (ii) restoring governance and degraded lands and water sources in post-natural disaster and/or conflict prone or conflict affected areas (with special attention to unemployed youth, women and other vulnerable or marginalized groups); and (iii) global early warning to identifying early signs where a combination of environmental risks are contributing to fragility and conflict vulnerability and sharing this knowledge to promote preventive or remedial actions as appropriate. Global activities will also engage with private sector groups in supply chain transparency efforts to support the global monitoring and sustainable sourcing of natural resources in fragile states. Development and implementation of flexible approaches for country and regional risk and needs assessments will also form part of this and support the prioritization of investments.

INTERNATIONAL WATERS FOCAL AREA STRATEGY

Global Context of International Waters

171. Intrinsically linked to prosperity and economic growth, healthy marine and freshwater ecosystems have gained high-level global and national attention as critical to sustaining life on earth. It is globally recognized that transboundary marine and freshwater systems underpin and connect ecosystems, human health, and key economic sectors. It is therefore imperative that countries work in a coordinated fashion towards actions that will secure a healthy environment for present and future generations. At the same time, national and localized planning strategies are increasingly mainstreaming sustainable use of these ecosystems into development strategies to ensure they continue to provide valuable services, including food security, potable water, recreation opportunities and carbon sequestration, all of which contribute to GDP, livelihoods, improved quality of life and business development.

172. Essential to addressing the multifaceted threats to transboundary freshwater and marine ecosystems is the need for multinational cooperation supported by regional organisations, such as transboundary organisations, commissions and, where appropriate, regional economic commissions. These regional institutions need to function as hubs for harnessing, coordinating and channeling political and economic interests from both public and private sectors. Further, while they will be instrumental in catalyzing national policy processes, regional harmonisation, stimulating essential infrastructure investments and safeguarding long term engagement strategies continue to be relevant at local, national and regional level.

173. Ocean ecosystems are under unprecedented anthropogenic pressures from climate change, acidification, habitat loss, pollution, fishing, shipping, and seabed mining. It is estimated that the world's Large Marine Ecosystems represent USD 12 trillion annually in market and non-market ecosystem goods and services. These services include providing livelihoods, food security, climate regulation, shoreline storm protection, carbon sequestration, and recreational opportunities for billions of people. However, some of these valuable coastal ecosystems and open oceans lack sustainable governance structures resulting in continued degradation. Therefore, efforts must be made to ensure the conservation and sustainable management of these valuable coastal ecosystems, including through securing adequate governance structures. Many intergovernmental and international organizations effectively manage and govern relevant activities in the ABNJ oceans, including the International Maritime Organization, the International Seabed Authority, and several regional fisheries management organizations established in line with the UN Fish Stocks Agreement. Additional coordination and cooperation between these existing organizations would contribute could be beneficial to combat degradation of coastal ecosystems and the open oceans.

174. Similar to oceans, freshwater ecosystems face daunting threats, including climate change, urbanization and increasing food demand; yet they are also highly valued ecosystems. Water is a prerequisite for human and ecosystems survival, underpins many economic activities and is fundamental to achieving most of the SDGs. Increasing scarcity in many regions of the world along with pollution of these waters threatens human health and economic development. Water

is directly interwoven into national economies through the provision of water for human settlements, agriculture, energy via cooling water needs and hydropower. Water scarcity events, such as floods and droughts, can become risk multipliers leading to destabilization, violence and migration as well as possible ground for radicalization spurring further conflict on national and regional levels.

175. Fish and related economic activities are increasingly under threat. Currently it is estimated that 31 % of marine fish stocks are considered overfished and 58 % are considered fully-fished, meaning that 90 % of stocks have limited or no potential for increasing production (FAO, 2016). Unsustainable fishing is further compounded by high levels of illegal, underreported and unregulated fishing with economic losses ranging from USD 10 to 25 billion annually (Agnew, 2009). Additionally, various ABNJ are seriously threatened by activities such as intensified fishing for highly migratory species, bottom trawling on seamounts, maritime transport and other stressors calling for the further consideration of the effectiveness of existing legal instruments and management systems. The UN decision to proceed with the negotiation of a global Agreement addressing such matters should fulfil that function.

176. The sustainability of all these fisheries – marine, freshwater and aquaculture – urgently requires improved coordination between management mechanisms to be put in place, to ensure that they can continue to supply the 3.1 billion people, for which they provide up to 20% of the animal protein in their daily diet. Further, improved management will be pivotal to efforts to restore and conserve fisheries habitats, such as wetlands, seagrass, mangroves and reefs, which are critical nursery and breeding habitats for many fish and crustacean species. Countries, therefore, need to step up national and regional actions safeguarding their marine and freshwater ecosystems to ensure continued growth, prosperity and unlock new economic opportunities.

177. Given the threats facing marine and freshwater ecosystem, strong, informed management approaches are critical to the sustainability of these valuable ecosystems. The Transboundary Waters Assessment Program (TWAP), illustrates the importance for action on transboundary water systems, including Rivers, ABNJ, Lakes Aquifers and LMEs. GEF experience demonstrate that sustainable environmental management of transboundary resources require a common understanding of what pressures the shared ecosystems are facing, coupled with national and regional investment plans. This transboundary approach has been the basis of GEF investments in International Waters to date and therefore has invested in the process of assessing threats and opportunities (Transboundary Diagnostic Analyses - TDAs) and developing regionally agreed action plans (Strategic Action Programs - SAPs), of which, some are already under implementation. Now that many transboundary ecosystems have established SAPs, the scene is set for implementation of the regionally agreed national and regional-level actions to ensure the health of the shared water bodies and their valuable services. The GEF plays a critical role in these initiatives as a major global grant funding mechanism to invest in transboundary water ecosystems and their management at regional and national levels.

178. Healthy transboundary marine and freshwater ecosystems are prioritized in most INDCs and NBSAPs. While the GEF is not the financial mechanism nor does it have any obligations to international conventions, the IW Focal Area Investments will support work of the UN Water Courses Convention and the UNECE Water Convention, the UN Convention on the Law of the Sea, and the RAMSAR Convention. Finally, IWLEARN, the GEF funded cross-agency and multi-actor platform of knowledge exchange and capacity building, supports facilitating partnerships between a range of actors to stimulate conversation and capacity between, and beyond, GEF funded activities.

GEF-7 International Waters Focal Area

179. The unique mandate of GEFs International Water Focal area to support transboundary cooperation in shared marine and freshwater ecosystems has proven successful in achieving long term benefits. Complex transboundary water ecosystems, cut across a myriad of sectoral needs and themes while not being bound by political boundaries. Consequently, setting effective policy goals, coupled with investments, requires working at all scales, with a range of stakeholders, in the public and private sectors and across the watershed from source-to-sea and beyond. These principles are fundamental to the GEF-7 investments in International Waters. Three key objectives will be the target of GEF-7 IW investments: 1) strengthening national Blue Economy opportunities to reduce threats to marine and coastal waters; 2) improving management in the Areas Beyond National Jurisdiction (ABNJ), and 3) enhancing water security³¹ in freshwater ecosystems.

180. These objectives will be realized through regional and national investments in the regionally endorsed cooperative frameworks (e.g. SAPs). Regional projects will need to leverage substantial co-financing, such as through blended finance via MDBs, foundations, GEF STAR financing or other resources to demonstrate national prioritization of the investment. In particular for national investments implementing regionally endorsed SAP priorities, following criteria needs to be adhered to: 1) national investments will need to align with SAP priorities, 2) be coordinated with the relevant regional institution responsible for regionally agreed frameworks and 3) project needs to include GEF STAR financing, loan and/or national budget financing. Recognizing the importance of gender issues, gender considerations will be mainstreamed into all processes and investments. GEF-7 IW investments will continue to require a gender assessment within each social analysis during project preparation, differentiated reporting of output indicators and additional measures based on the GEF's Gender Action Plan. As a result, the national and regional institutional capacity built, the legislative frameworks

³¹ Water security has been defined as *“the availability of an acceptable quantity and quality of water for health, livelihoods, ecosystems and production, coupled with an acceptable level of water-related risks to people, environments and economies”*. Water insecurity is perceived when it impairs human and environmental well-being, economic development and resulting in often difficult cross-sector trade-offs and/or straining cross-border relations. Grey, David & Sadoff, Claudia. (2007). Sink or Swim? Water Security for Growth and Development. Water Policy. 9. . 10.2166/wp.2007.021.

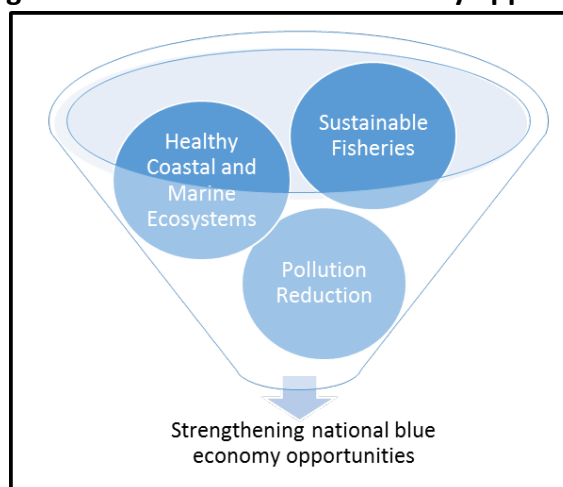
formulated and the policies adopted, implemented and coupled with investments will be more robust and sustainable.

181. The GEF international Waters investments will stimulate private sector investment through its three GEF-7 objectives. Even though the entry points vary, there are two main avenues for private sector engagement namely: 1) Stimulating engagement along the different supply chains towards reducing impacts on the freshwater and marine ecosystem environments. These could entail working with large scale commercial fishing fleets, development of marine spatial plans to identify investment opportunities for both private and public sector, advance private engagement to increase water, food, energy and environmental security, such as through industry roundtables and interest group and increase water efficiency, reuse, and reduce point and non-point sources of pollution addressing both primary and emerging pollutants, along the source to sea continuum. And 2) de-risking innovative investments within the freshwater and marine sectors, through support to testing of innovative approaches and technologies. Further, de-risking will be explored through using the identified areas of investments within the portfolio of ministerial endorsed SAPs towards attracting private sector investments and finance.

Objective 1. Strengthening Blue Economy opportunities

182. The Blue Economy concept identifies the oceans as areas for potential sustainable development of existing and new sectors, including tourism, extractive industries, renewable energy production, fisheries and aquaculture, coastal development and marine transport. To foster innovation towards more sustainable use of marine and coastal resources there is a need for coastal and island nations to deploy a suite of tools, among them marine spatial planning. These tools will foster a holistic understanding of the opportunities and constraints that lies within Exclusive Economic Zones (EEZs) to inform policy formulation, adoption and investment processes towards long-term environmental sustainability. Strengthening blue economy opportunities, require regional cooperation and national action.

Figure 1. Benefits of a Blue Economy approach



183. The GEF will assist countries in identifying sustainable public and private national investments within the Blue Economy space, through funding of collective management of coastal and marine systems and implementation of the full range of integrated ocean policies, legal and institutional reforms. This will be done in tandem with catalyzing regional processes, such as the Transboundary Diagnostic Analysis/Strategic Action Program (TDA/SAP)³² in order to advance cooperation in Large Marine Ecosystems. Roughly 100 GEF-eligible nations have been reaching agreements, via TDA/SAPs to improve ocean management, via national and regional activities and agreements. GEF-7 presents a unique opportunity to assist countries in addressing a suite of stressors such as overfishing, land based sources of pollution, loss and damage of key coastal and marine ecosystems through a combination of national and regional investments towards strengthening national Blue Economy opportunities. In GEF-7, investments will be strengthening nations Blue Economy opportunities, through three areas of strategic action: 1) sustaining healthy coastal and marine ecosystems; 2) catalyzing sustainable fisheries management; and, 3) addressing pollution reduction in marine environments.

Sustaining healthy coastal and marine ecosystems

184. Key coastal and marine habitats, such as deltas, mangroves, salt marshes, sea grasses and coral reefs, are essential to many nations' economic development and to local and global ocean's health. They sustain fisheries, tourism, and coastal protection, sequester carbon, filter run-off waters, increase local, national and regional climate resilience and provide biodiversity hotspots while also offering other ecosystem services estimated to be worth USD 100s of billions annually.

185. These essential coastal and marine habitats can be restored through targeted efforts to rebuild ecosystems and protected through the establishment of marine protected areas (MPAs), through ensuring engagement of local users of the fishery and coastal resources. In addition,

³² The TDA/SAP process consists of a Transboundary Diagnostic Analysis in which common fact finding, and scientific analysis identifies the shared threats in a given transboundary ecosystem. This process leads naturally into the formulation of the Strategic Action Program, which is a politically endorsed document, that identifies the interventions needed to address the agreed threats in the region.

these ecosystems are also part of the world's 66 Large Marine Ecosystems, which harbor a suite of essential natural ecosystems that are vital to support national Blue Economy opportunities that in turn will deliver towards regional targets.

186. Under sustaining healthy coastal and marine ecosystems, the following types of investments will be supported:

- Develop and implement environmentally sustainable Blue Economy strategies;
- Establish and support existing marine protected areas in key biodiversity hotspots and coastal habitats;
- Restore degraded key habitats;
- Mainstream marine area based management and spatial tools in regional entities; including helping to clarify which policy instruments may be useful in reaching the global target of conserving 10 % of the world's coastal and marine areas by 2020;
- Create multi-state cooperation frameworks in transboundary deltas including an integrated source-to-sea approach;
- Formulate and formalize cooperative legal and institutional frameworks built on TDAs/SAPs approach, towards addressing the multiple anthropogenic pressures, including climate related effects in the Large Marine Ecosystems;
- Stimulate private sector engagement, through relevant industry sectoral roundtables and industry groups;
- Engage with national, regional and global stakeholders to increase collaboration and cross support to investments and processes, including through IW-LEARN; and,
- Foster collaboration among LMEs, Regional Seas conventions and Regional Fisheries Management Organizations (RFMOs) to protect and restore these key habitats.

Catalyze sustainable fisheries management

187. The oceans are an essential source of protein for 3.1 billion people that depend on the oceans as their primary source of protein. The GEF, in recognition of the vital role fisheries and fisheries practices play in impacting ecosystems integrity, eliminating hunger, promoting health, and reducing poverty, will support investments targeting sustainable fishing practices, policy processes both on national and regional level. These investments will include marine aquaculture and highly innovative production of marine algae as a substitute for fishmeal and oils, and its potential use as a cost effective nutrient pollution remediation, carbon sequestration and renewable energy tool.

188. GEF-7 will also build on, strengthen and expand partnerships to further investments in sustainable fisheries at local, national and regional scales while expanding opportunities to engage with the private sector. Initiatives will address national and shared fisheries by supporting existing policy goals and targets established through RFMOs, the 2009 Port State Measures Agreement and the FAO Voluntary Small-Scale Fisheries Guidelines. Improving shared management of marine fisheries will also include promoting technology to support monitoring, compliance and surveillance with particular focus on combatting Illegal Unreported, Unregulated (IUU) fisheries.

189. In order to catalyze sustainable fisheries management, the following types of investments will be supported:

- Policy reforms to end IUU, overfishing and sustainably manage marine capture fisheries.
- Implementation of market mechanisms to support sustainable fisheries value chains.
- Standard setting for sustainable aquaculture to enhance marine ecosystem health and improving food and nutrition security.
- Strengthening and creating policy frameworks, including working with countries to eliminate harmful incentive structures;

Addressing pollution reduction in marine environments

190. There is an urgent need to address eutrophication of the marine environment. This will require a suite of investments targeting prevention, reduction, and control of coastal point and non-point pollution caused by such practices as run-off from agricultural lands and release of ineffectively treated wastewater treatment. Addressing these needs will help ensure ecological, social, and economic well-being of coastal nations. The GEF will continue to pilot and promote the scaling up of innovative measures to prevent point and non-point pollution, as a direct response to roughly 80% of global collected waste water being discharged untreated and with severe impacts on the health of freshwater biodiversity, human health, and leading to hypoxia in coastal zones. The number of hypoxic zones are expected to rise as the oceans warm and urban, agricultural and industrial waste flows continue to increase. In addition, toxic algal blooms are an increasing threat to marine life and human health and ‘feed off’ enhanced nutrient contents. Further, persistent and toxic pollutants are increasingly found in rivers and oceans, ranging from endocrine disruptors to the recent discovery of significant concentration of persistent organic pollutants in the deepest parts of our oceans.

191. As highlighted in the recent UNEP resolution³³, 80% marine litter is plastic and has been found throughout the world’s oceans, from the surface to the sea floor, and from urbanized coastlines to remote unpopulated islands. 8 million tons of plastics are entering the oceans annually and ¼ of seafood is contaminated with plastics. In the report Marine Debris as a Global

³³ UNEP/EA.3/L.20

Environmental Problem, the GEF Scientific and Technical Advisory Panel highlighted the significance of this issue and accordingly recommended GEF take action. In GEF-6 the GEF sort to build a global corporate alliance across the entire plastics value chain, to identify and socialize among APEC countries waste management solutions and to advise on opportunities for future GEF investments. Recognizing the need to transform the entire life cycle of plastics to reduce marine plastic pollution, the GEF will invest in a few strategic Circular Economy initiatives to promote the adoption of closed loop production and consumption patterns instead of traditional linear take-make-waste approaches. Investments will be focusing on public-private investments to transform the plastic life cycle, combined with coordination and knowledge sharing with other GEF-7 Circular Economy initiatives, such as those supported under the Chemicals and Waste Focal Area focusing on addressing POPs and Mercury.

192. Looking to GEF-7 a suite of investments are needed to prevent, reduce, and control coastal point and non-point pollution to ensure ecological, social, and economic well-being of coastal and island nations. The GEF will continue to pilot and promote the scaling of innovative point and non-point nutrient pollution, through the following types of investments:

- Catalyze national policy development coupled with investments in innovative approaches, through regional processes, to address nutrient and emerging pollution issues along the Source-to-Sea/Ridge-to-Reef Continuum;
- Support common fact finding between public and private sectors to ensure that priority actions will lead to transformed practices in both sectors;
- Stimulate private sector engagement, through relevant industry sectoral roundtables and industry groups;
- Increase understanding of marine noise in a transboundary context potentially through target research, towards stimulating the adoption by private sector of good practices aiming at avoiding and mitigating the impacts of marine noise on marine fauna;
- Support and engage with national, regional and global stakeholders to increase collaboration and cross support to investments and processes, through IWLEARN; and
- Support a few strategic global and regional investments to transform plastic life cycles that emphasize public-private partnerships and significantly address global marine plastic pollution.

Objective 2. Improve management in the Areas Beyond National Jurisdiction (ABNJ)

193. The complex ecosystems in the ABNJ include both the water column and seabed making the sustainable management of fisheries resources and biodiversity conservation especially challenging. Urgent action is needed to improve conservation and sustainable use of the open oceans that covers 40% of the planet, and are increasingly threatened by over-fishing of iconic

pelagic migratory species, maritime navigation, ocean energy facilities, bottom trawling on seamounts, pollution and extraction of minerals and hydrocarbons.

194. Building on GEFs past experience in successfully supporting an applied ecosystem-based approach to fisheries management of deep sea fisheries, including seamounts, as well as regional tuna fisheries management organizations (tRFMOs) in ABNJ. The GEF intends through this strategic objective to renew its efforts within the ABNJ space. In GEF-7 support will be given to foster information sharing to promote sustainable practices and inform decision-making by private businesses and regional organisations such as, LME commissions, RFMOs or the Regional Seas program. Addressing fisheries and in particular IUU fishing in the high seas will also continue to be a high priority. GEF investments will assist capacity building among concerned states and organisations and foster public private partnerships between the RFMOs and the large commercial fishing fleets harvesting in the high seas and its associated supply chain. Finally, GEF investments will facilitate cooperative frameworks between the ABNJs and the Large Marine Ecosystems that they border, to improve management opportunities and cohesion between these two interdependent management frameworks.

195. The following types of investments will be supported to ensure sound maritime legal frameworks for the protection and sustainable use of biodiversity:

- Strengthen support to RFMO activities including national and regional policy setting to end IUU and overfishing and inform sustainably management of marine capture fisheries;
- Policy work towards reaching agreements to reduce harmful fishing subsidies;
- Collaboration among relevant international, regional and domestic bodies on area-based management in national waters and ABNJs;
- Reduce overexploitation of fish stocks and IUU, through implementation of international agreements; and
- Reduce overexploitation of fish stocks, with a particular focus on IUU.

Objective 3. Enhance water security in freshwater ecosystems

196. Shared freshwater resources comprise a special case for cooperation with large potential spillover and global impacts. Transboundary river basins cover about 50% of the earth's land surface and are home to about 40% of the world's population. 1.2 billion people live in river basins where human water use has surpassed sustainable limits. Cooperation on water, therefore, is 'a must' in most international basins to support the need for water, food, energy, and ecosystems security and increase resilience for each nation. The need for transboundary cooperation, therefore, has been anchored in the SDGs as an essential element for effective integrated water resources management (SDG 6.5). Shared groundwater resources are especially hard to manage due to the limited knowledge of the resource and its 'invisibility'. With mounting pressures on water resources and increasing pressures from climate variability and change

managing surface and groundwater is the only sustainable path. Both cooperation on water quantity and quality are of key concern – impacting people and environmental assets of global significance, including wetland biodiversity, freshwater fish stocks, and unique aquatic and terrestrial habitats. IW support in freshwater basins will therefore focus on three areas of strategic action: 1) advance information exchange and early warning; 2) enhance regional and national cooperation on shared freshwater surface and groundwater basins; and, 3) invest in water, food, energy and environmental security.

Advance information exchange and early warning

197. Disaster risk management is often an early entry point for cooperation among countries by creating trust and establishing a track record of cooperation on a wide set of issues. Flood and drought early warning systems can be instrumental for countries and the international community alike to intervene early and increase resilience before the onset of destabilizing social conditions and out-migrations with obvious humanitarian benefits.

198. GEF support will be designed to enhance the availability of sound data and information for science-based policies and decisions. On regional level this will build the science base and dialogue for informed prioritization of investments; on a global level this effort will enable predicting future ‘hotspots’ and ‘basins at risk’.

199. Under advancing information exchange and early warnings the following types of investments will be supported:

- Flood and drought early warning systems and disaster risk management plans;
- Nature based efforts for disaster risk management, including floods, droughts, and coastline protection;
- Enhanced quality, coverage and free availability of sound information on surface and groundwater availability and use, natural resources, and related grey and green infrastructure assets and adaptation deficits;
- Increased capacity to gather, distill and process global and regionally increasingly available traditional and innovative data sources into policy relevant analysis, including the economic evaluations of ecosystem services; and
- Enhanced capacity on country level and dialogue among countries to draw conclusions from increasingly complex and innovative information sources to support decision making and to identify joint opportunities for action.

Enhance regional and national cooperation on shared freshwater surface and groundwater basins.

200. GEF support will focus on interventions in shared basins where water stress creates both a challenge but can be a driver and opportunity for cooperation. Interventions will prioritize

preventative actions in transboundary basins facing multiple stressors and hence potential for conflict on national and regional levels. Investment in cooperation among countries in shared basins can be one avenue to increase interaction among countries and enhance trade and transport of goods and services. These investments can, consequently, create common interests and provide an entry point for regional integration and peaceful country relations.

201. As identified by WRI, WWF, TWAP³⁴ and others, including ongoing GEF supported work on nexus dimensions, emerging hotspots appear to be in Africa, MNA and sub-regions of Asia. These areas are aggravated by increasing severity of floods and droughts intensified by increasing climate variability and change (e.g. rising sea levels), population growth, urbanization and associated increasing needs for food and energy. Cooperation on water is an imperative in these regions to support the need for water, food, energy, and ecosystems security and related dimensions for each nation.

202. In order to support enhanced regional and national cooperation on shared freshwater surface and groundwater basins the following types of investments the GEF will focus on the following priorities:

- Common, participatory fact-finding and agreement on cooperative opportunities and shared constraints and a vision for a shared future (such as via the formulation of a common Transboundary Diagnostic Analysis and Strategic Action Programs);
- Capacity building efforts to level the playing field across countries, including for example negotiation skills and international water law;
- Processes to formulate and formalize cooperative legal and institutional frameworks;
- Identify and leverage resources for investments addressing SAP identified priorities;
- National reform of policies, strategies and regulations in accordance with regional agreements and MEA commitments;
- Improved policy formulation processes and conjunctive management of surface and groundwater resources on national and regional levels;
- Periodical update of existing Transboundary Diagnostic and Strategic Action Programs - or their equivalents; and
- Engagement with national, regional and global stakeholders to increase collaboration and cross support to investments and processes, through IW-LEARN.

³⁴ The TWAP River Basins (TWAP RB) component is a global assessment of 286 transboundary river basins, and is an indicator-based assessment, allowing for an analysis of basins, based on risks to both societies and ecosystems.

Investments in water, food, energy and environmental security

203. In shared water basins, cooperation can assure greater water-, energy-, food – and ecosystems security through cooperation and trade of energy, food and sharing of ecosystems services. Realizing benefits from cooperation through national and regional investments with visible impacts enhances stability of country relations and ensures sustainable financing of regional cooperative institutions. Enhanced economic ties and multi-level interactions among countries sharing a basin/sub-region deflate the likelihood of escalating conflict potential. Increasing pressures from climate change, urbanization and other pressures require innovative investments to address increasing water stresses, including pollution pressures. Much of such innovation can only be realized by a combination of private and public finance and by enhancing the enabling environment for private sector engagement.

204. Priority investments anchored in agreed basin-wide strategic action plans span both national and multi-country support to soft and hard investments in improved information, policies and innovative technologies. Further, investments will be ensuring the inclusion of the ecosystem dimension into the Water, Energy, Food nexus, which will increase environmental security. GEF will finance the incremental costs of creating regional benefits and de-risk innovation in measures to address water security both in terms of quality and quantity/availability. Country eligibility for national investments will be guided by signature of existing SAPs and currently includes over 90 countries with valid SAPs.³⁵ Criteria to assure solid co-finance and country ownership and commitments on national level have been outlined earlier.

205. GEF Investments in water, food, energy and environmental security will support:

- Supply chain approaches for increased water efficiency and reduction of ecosystems pressures, such as through industry roundtables and interest groups;
- Efforts to increase water efficiency, reuse, and reduce point and non-point sources of pollution addressing both primary and emerging pollutants, along the source to sea continuum³⁶;
- De-risk innovation in development through incremental finance and piloting of innovative technologies, e.g. for scalable water-reuse, water efficiency, and water pollution abatements technologies and regulations;
- Nature based approaches to improve infiltration, avoid sedimentation and erosion through integrated watershed management and sustainable land management;

³⁵ 90 countries currently have agreed SAPs or are currently engaged in their formulation.

³⁶ This will need to address both pollution from water and land sources as well as identify sources of airborne pollutants traversing borders and affecting fresh- and marine water bodies.

- Protect and rehabilitate aquatic ecosystems, especially wetland areas, river banks, mangroves, and other key habitats with multiple ecosystems services;
- Establish minimum environmental flows to maintain healthy ecosystems and aquatic biodiversity;
- Sustain freshwater fisheries and aquaculture via improved management strategies and policy formulation processes, including measures for prevention of IUU; and
- Support fragile and/or conflict affected countries, via a country based pilot to fully engage in the transboundary process (see below).

206. The strategy will support environmental security by allowing investments in a small number of fragile and/or conflict affected countries in transboundary basins both in foundational processes and SAP implementation. This aims to support actions by which decreasing natural resource pressures and water stress can contribute to decreasing fragility and allowing fragile areas and/or countries to stabilize and fully engage in regional processes, hence contributing to preventing larger regional conflict. GEF-IW focal area investments will seek enhancement and complementarity with resources and investments in other focal areas and IPs (such as e.g. the LD and BD focal areas and investments in drylands within the Sustainable Forest Management IP).

CHEMICALS AND WASTE FOCAL AREA STRATEGY

Global Context of Chemicals and Waste

207. The number of chemicals in commerce globally is widely considered to be in the tens of thousands. Unfortunately, many countries do not have a rigorous process to review chemicals risks. When used improperly and when disposed of unsafely, chemicals can pose significant harmful impacts on human health and the environment.

208. The most harmful of these chemicals include persistent organic pollutants, ozone depleting substances, mercury and highly hazardous pesticides. Due to the global impact on human health and the environment some of these highly dangerous chemicals are controlled by international law.

209. The GEF is charged with eliminating the most harmful chemicals which are covered by the Stockholm Convention, the Minamata Convention and the Montreal Protocol. The GEF also supports the achievement of broader sound management of chemicals and waste through its support to the Strategic Approach to International Chemicals Management (SAICM).

210. The implementation support for the chemicals and waste conventions by the GEF provides both the opportunity for Parties to these conventions to meet their obligations under the Conventions and to use the entry point of the Conventions to transform their management of chemicals and ultimately use and produce chemicals without suffering their harmful impacts.

GEF support for chemicals and waste has significantly evolved over time

211. The GEF has responded to new chemicals conventions and the movement towards integration and synergies among the conventions by evolving its strategy to accommodate these transitions. GEF support has moved from separate Chemicals Focal Areas (ODS and POPs) to now having one fully integrated Chemicals and Waste Focal Area, including POPs, Mercury, ODS, and SAICM.

212. The newest convention supported by the GEF is the Minamata Convention on Mercury. As the convention, has now entered force, the GEF-7 strategy will support eligible countries implement the convention obligations. The GEF interventions will expand on previous support towards ratification and entry into force taking convention guidance on implementation into account.

Table 4. GEF's role in the different Chemicals and Waste multilateral architecture.

Convention/Process	Role of the GEF
Stockholm Convention on Persistent Organic Pollutants	Operates the Financial Mechanism on an interim basis
Minamata Convention on Mercury	Is included in the Financial Mechanism of the Convention

Montreal Protocol on Substances that Deplete the Ozone Layer	Provides support to Countries with Economies in Transition to implement the Protocol
Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal	Indirect support through projects to implement the Stockholm and Minamata Convention
Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade	Indirect support through projects to implement the Stockholm and Minamata Convention
Strategic Approach to International Chemicals Management (SAICM)	Supports specific SAICM priorities

Programming for enhanced Impact

213. In GEF-6, the Chemicals and Waste strategy sought to support the development of enabling environments, economic models and financial mechanisms to strengthen the global response to improving the sound management of chemicals and waste. The GEF Global Opportunities for Long-term Development in the ASGM sector (GOLD) program for example represents the first significant step in the direction of mobilizing private and other public resources to tackle mercury for the ASGM sector by working at the sector level rather than treating it as a chemicals issue. The success of eliminating the chemicals listed under the Stockholm Convention and the Minamata Convention will require a such a sectoral approaches.

214. There are ongoing global efforts to shift to sustainable patterns of production and consumption in industrial processes, including the application of circular economy, sound material-cycle society, and sustainable materials management approaches. This presents an opportunity for the GEF to leverage resources from these efforts which will in turn improve the impact of the focal area. The GEF will need to explore the possibility of aligning its investments to ensure that the work of the GEF on chemicals and waste supports these actions, and develops and provides the evidence based results for continued action in this area.

215. In GEF-7, more emphasis will be placed in facilitating the reduction of chemicals though stronger alignment with the shift to sustainable production and consumption and through stronger private sector engagement including supporting the enabling environments for industry to adopt better technologies and practices aimed at becoming more environmentally sustainable, including eliminating POPs and mercury, careful consideration of the incentives for private sector involvement, and streamlined processes for easier private sector navigation. More emphasis will also be placed on developing sustainable financing at the national/regional level to sustainably eliminate chemicals covered under the Conventions and at the same time facilitate the sound management of chemicals and waste.

216. To be able to make the transition of a chemical based approach to a sector/economic approach the GEF-7 programs seeks to integrate the individual chemical convention issues into a sector based approached which better aligns to national level efforts to improve the industrial

and support the objectives of the Impact Programs and of other Focal Area strategies including efforts to deal with marine littering / micro-plastics agricultural sectors in countries. In this way, the work of the conventions can be better integrated into national level agricultural policy, industrial manufacturing and pollution management. An example would be where countries are seeking to control air pollution from industrial sources, GEF work on mercury and POPs would be complimentary to national efforts to reduce PM 2.5, NO_x and SO_x etc. By aligning GEF work on chemicals to broader issues of agriculture and industry investments at the national level can be leveraged to achieve the objectives of the chemical and waste MEAS and contribute to boarder environmental performance improvements in these sectors.

217. A fully integrated focal area that is better aligned with sectoral investments in countries to address pollution, agriculture and industrial efficiency can better attract the private sector and link to efforts on increasing environmental sustainability in these sectors since the actions will be based on sectors rather than targeting a single chemical.

218. To achieve maximum impact of the proposed focal area strategy programming should be done via sectoral lines rather than MEA specific programming in the majority of instances since the chemicals controlled by the Stockholm and Minamata Conventions overlap in many of the industrail sectors where the majority of GEF funding in the focal area is programmed.

GEF-7 Chemicals and Waste Programming

219. The GEF-7 investment framework serves to:

- Eliminate/restrict/control emissions of the chemicals listed in Annex A, B and C of the Stockholm Convention and;
- Eliminate emissions and releases of mercury in activities and processes listed in Annexes A, B, C and D of the Minamata Convention on Mercury, particularly those activities that emit or uses the highest level of mercury as well as support the control of supply and trade, waste and sound management and storage of mercury and mercury containing waste;
- Support the developpment of public-private partnerships that engage industry to improve interim storage and long-term disposal of mercury and explore the possibility of utilizing existing storage as central repositories for excess mecury from orher sources;
- Support government efforts to develop and promote best practices for the environmentally sound interim storage of mercury from ASGM sector and products, etc.;
- Phase out the production and consumption of Hydrochlorofluorocarbons and phase down the production and consumption of Hydrofluorocarbons from Countries with Economies in Transition; and

- Support the objectives of the Strategic Approach to International Chemicals Management, specifically in supporting the global phase out of the manufacture of lead based paint, building capacity for management and disposal of e-waste, elimination of chemicals of global concern from the supply chain of commercial and domestic products and support to countries to control and prevent the unsafe use and disposal of highly hazardous pesticides.

220. In GEF-7 there will be increased attention placed on maximizing private sector engagement and public-private sector investments in the CW cluster as well as gender mainstreaming in the CW cluster.

221. The SDG's provide a framework for development, and several SDG's target sustainable production and consumption. Of relevance to de-toxifying development would be SDG's 3, 6, 9, 11 and 12. The GEF can invest in programs that support removal of the barriers in cities/countries that are interested in detoxifying their products and materials supply chains to prevent toxic loading of the environment.

222. The chemicals and waste focal area will support the reduction of persistent organic pollutants (POPs) that are controlled by the Stockholm Convention on Persistent Organic pollutants, mercury and mercury compounds that are controlled by the Minamata Convention on Mercury, Ozone Depleting Substances (ODS) and other chemicals controlled by the Montreal Protocol on Substances that deplete the Ozone Layer, lead in paints, chemicals of global concern in the supply chain of commercial and domestic products and highly hazardous pesticides (HHPs) that enter the global food supply.

223. The chemicals and Waste multilateral environmental agreements and SAICM facilitate better management of chemicals that are primarily in the industrial and agricultural sector. To better leverage all the stakeholders in these sectors it is proposed that the GEF-7 chemicals and waste focal area will be programmed through four main programs which are:

- Industrial Chemicals Program;
- Agricultural Chemicals Program;
- Least Developed Countries and Small Island Developing States Program; and
- Enabling Activities.

224. The achievement of reduction of POPs, Mercury and ODS and their waste along with broader improvement in the sound management of chemicals and waste will primarily be achieved through the above programs in the Chemicals and Waste Focal Area.

225. In addition to the Chemicals and Waste focal area, additional global environmental benefits can be achieved through investments that will be undertaken in the GEF-7 Impact Programs and other focal areas in so far as these programs ensure that chemicals and waste

management is incorporated into the design of the projects and programs in the IP. It is expected that additional benefits can accrue in the following IPs and Focal Areas: they can contribute to or above the reduction targets for the focal area:

- Sustainable Cities Impact Program;
- Food Systems, Land Use and Restoration Impact Program;
- Sustainable Forest Management Impact Program;
- International Waters - Marine Litter; and
- Climate Change Mitigation.

226. The three impact programs can also support more broadly the achievement of the goals of the Strategic Approach to International Chemicals Management by integrating the sound management of chemicals in the design of the interventions under the impact programs. For example, in the Sustainable Cities Impact Program, by influencing the design of urban spaces including materials, products and chemicals the IP will prevent the intentional use of Stockholm Convention relevant chemicals and mercury and will more broadly contribute to the sound management of chemicals and waste by ensuring that the built environment minimizes materials and chemicals that are harmful to human health and the environment.

227. Several POPs and highly hazardous pesticides are quite pervasive in food production systems around the world. For this reason, the Food Systems, Land Use and Restoration Impact Program can enable the GEF to tackle the use of pesticides, including Endosulphan which is the most commonly used in soy bean cultivation in some countries. The IP will also create opportunities to work on Highly Hazardous Pesticides, including on regulations that control/eliminate these chemicals from entering food production systems

228. In the Sustainable Forest Management Impact Program, in consultation with countries, additional priorities may be included, such as the formalization or regulation of the artisanal and small-scale gold mining (ASGM) sector, which can help secure private sector engagement. In addition, investments in the sound management of chemicals and waste should seek to promote, as far as is practical, improved approaches to resource use that promote sustainable production and consumption.

229. GEF-7 will explore the important synergies between the International Waters and the Chemicals and Waste Focal Areas to address specifically the challenge of marine litter and micro-plastics. Waste consisting of plastics can contribute to the POPs challenge as POPs contained in plastics can be released into the environment including oceans, if not properly managed. There are therefore clear linkages to the Stockholm Convention. Marine litter in the form of micro-plastics to a significant extent derives from land-based activities and should also be seen in the context of waste management issues dealt with under this Focal Area.

230. In programming resources to address chemicals and waste priorities the following principles will be used in determining the choice of projects in the focal area:

- Cost Effectiveness - the potential chemicals reductions of a proposed activity relative to its costs will be a major factor in consideration of funding;
- Sustainability – all projects should at a minimum incorporate a pathway to ensure sustainability of the activities as well as contribute to sustained sound management of chemicals and waste. In this regard the proposals will need to demonstrate how the interventions will change the behavior of the private and public sector to ensure sustainability of the intervention;
- Innovation – Projects should seek to develop and scale locally developed technologies and practices particularly in the context of the LDCs/SIDs program including in the design of financial mechanisms at the sub-national, national and regional levels;
- Private Sector Engagement – Projects should seek to create or improve the enabling environments in which the private sector can engage to reduce the use of harmful chemicals and to prevent the emission of harmful waste;
- Programs/Programs that promote/lead to Resource Efficiency and sustainable consumption and production approaches, like circular economy or sustainable material management;
- Prioritized under National Implementation Plans/Minamata Initial Assessments/ASGM National Action Plans;
- Builds on or uses existing networks, regional, national and sub-national institutions including regional centers set up under the chemicals and waste conventions; and
- Supports the objectives of the Impact Programs and of other Focal Area strategies including efforts to deal with marine litter/micro-plastics.

Program 1. Industrial Chemicals Program

231. This program seeks to eliminate or significantly reduce chemicals subject to better management by:

- The Stockholm Convention on Persistent Pollutants;
- The Minamata Convention on Mercury;
- The Strategic Approach to International Chemicals Management; and
- The Montreal Protocol on Substances that Deplete the Ozone Layer.

232. Through supporting projects and programs that address:

- Chemicals and Waste at the end of life;
- Chemicals that are used or emitted from or in processes and products; and
- Management of the waste, or waste containing these chemicals.

233. This program will fund facilitation of enabling environments and strengthening of national legislation and regulatory capacity for meeting obligations, with regard to persistent organic pollutants, mercury and other chemicals listed in the chemicals and waste conventions. This will include the removal of barriers to market access of manufacturing of products containing GEF relevant chemicals, and reduction of production of harmful chemicals.

234. This program will also invest in improved sustainable material management initiatives, including circular economy, sound material-cycle society, and sustainable materials management approaches, which promote the adoption of improved production, consumption and environmentally sound disposal patterns. These approaches have the potential to drive the redesign of materials and products that contains POPs and mercury and the sound management of these materials and products including plastics and electronic waste (e-waste).

235. Implementation of improved material management approaches depends on close private-public partnership and involves multiple mechanisms, including: policies and regulations, technical assistance and capacity building, awareness raising, green/sustainable chemistry and technology, public procurement and financing models.

236. Within the industrial program, improved approaches to chemical production and consumption, including circular economy, sound material-cycle society, and sustainable materials management approaches will be used in conjunction with environmentally sound disposal to address POPs and mercury in plastics and electronics life cycles. Emphasis will be on addressing the entire life cycle of these products through a Circular Economy approach with strong private sector engagement at national to global scales. Coordination and knowledge sharing among these initiatives will be promoted by engaging relevant projects from other Focal Areas and Impact Programs, including the International Waters Focal Area and Sustainable Cities IP.

237. The following Chemicals and Waste MEA specific areas will be addressed by the industrial chemicals program:

Chemicals and Waste at end of life:

- Elimination of the use of polychlorinated biphenyls (PCBs) in equipment by 2025;
- Environmentally sound waste management/disposal of mercury/mercury containing waste or persistent organic pollutants including liquids containing PCBs and equipment contaminated with PCBs having a PCB content above 0.005%, in accordance with

paragraph 1 of Article 6 and part II of Annex A of the Convention, as soon as possible and no later than 2028; and

- Prevention of waste/products containing persistent organic pollutants from entering material recovery supply chains (including e-waste management with the aim of preventing e-waste from entering solid waste).

Chemicals used/emitted from/in processes and products

- Introduction and use of best available techniques and best environmental practices to minimize and ultimately eliminate releases of unintentionally produced POPs and mercury from major source categories included in both the Stockholm and Minamata Conventions including, but not limited to, cement manufacturing, coal fired power plants, various metallurgical processes, waste incineration;
- Reduction and elimination of mercury from the Artisanal and Small Scale Gold Mining Sector;
- Elimination of primary mercury mining, along with controls on use of mercury from primary mining;
- Phase out and eventual elimination of mercury or mercury compounds used in manufacturing process contained in Annex B of the Minamata Convention;
- Elimination of the use of mercury and persistent organic pollutants in products (Including brominated flame retardants, PFOS and short chained paraffins) as well as the use of mercury in products (as specified in Annex A of the Minamata Convention) by phasing out manufacturing of the pure chemicals and introduction of alternatives in the products with a preference to non-toxic chemicals;
- Phase out of substances controlled by the Montreal Protocol for countries with economies in transition; and
- Phase out of the manufacture of lead based paints.

Program 2. Agriculture Chemicals Program

238. This program will address the agricultural chemicals that are listed as persistent organic pollutants under the Stockholm Convention and agricultural chemicals that contain mercury or its compounds.

239. Where the chemicals are in use, investments will be made to introduce alternatives.

240. The program will target the reduction of Endosulphan, Lindane and highly/severely hazardous pesticides that enter the global food supply chain as well as address end of life, waste

and obsolete POPs and mercury based agricultural chemicals and management and safe disposal of agricultural plastics contaminated by POPs and mercury based agricultural chemicals.

241. This program will also address restriction of DDT production and use in disease vector control in accordance with World Health Organization recommendations and guidelines on the use of DDT in cases where locally safe, effective and affordable alternatives are not available to the Party in question.

Program 3. Least Developing Countries and Small Island Developing States Program

242. This program will seek to address the sound management of chemicals and waste through strengthening the capacity of sub-national, national and regional institutions and strengthening the enabling policy and regulatory framework in these countries.

243. The program will provide support to the development of public-private partnerships specifically adapted to the circumstances of LDCs and SIDS to enable the sound management of chemicals and waste.

244. Under the SIDS/LDC program the following may be pursued under this program:

- Implementing Sustainable Low and Non-Chemical Development Strategies in SIDS and LDCs;
- Promoting Best Available Technologies (BAT) and Best Environmental Practices (BEP) to reduce UPOPs releases from sectors relevant to the Minamata and Stockholm Conventions in SIDS and LDCs;
- Promoting cleaner health-care waste management based on the lessons learnt from GEF funded healthcare waste projects to reduce UPOPs and mercury releases;
- Strengthening the management system for e-waste, addressing all stages of the life cycle (i.e. acquisition of raw materials, design, production, collection, transportation and recycling) in SIDS and LDCs;
- Phasing out of mercury-containing products;
- Undertaking gender mainstreaming and project monitoring and evaluation; and
- Develop a strategy to ensure that technical assistance and investments are solidly linked to enhance countries' ability to deal with the management of POPs and mercury in a sustainable manner.

245. Under this program, locally appropriate solutions will be encouraged as well as the use of existing regional institutions. This program does not prevent LDCs and SIDS from accessing resources from the other 3 programs.

Program 4. Enabling Activities

246. This program will:

- Support enabling activities under the Stockholm Convention, including National Implementation Plans (NIPs) and NIP Updates;
- Support enabling activities under the Minamata Convention, including Minamata Initial Assessments (MIAs) and artisanal and small-scale gold mining National Action Plans (ASGM NAPs);
- Global Monitoring of chemicals, related to effectiveness evaluation under the Chemical Conventions; and
- In addition, interested countries may also take part in the Integrated National Planning for MEAs and SDGs.

IMPACT PROGRAMS

247. The Focal Areas remain the central organizing framework in the GEF-7 delivery model. For each Rio Focal Area, countries' programming options include the menu of investments described above, and a selected number of "move-the-needle" Impact Programs. Through these, the GEF will be better positioned to help countries pursue holistic and integrated approaches for greater transformational change in key economic systems, and in line with their national development priorities. The focused set of country-driven priorities hold the potential to enhance synergies, integration, and impact of GEF investments, and to promote a more effective use of resources and crowd-in private sector funding.

248. The impact programs collectively address major drivers of environmental degradation and/or deliver multiple benefits across the many thematic dimensions the GEF is mandated to deliver. Many of the priorities are also making use of increasingly more relevant global or regional platforms that are attracting a multitude of stakeholders and resources in response to political commitments.

249. These Impact Programs also contribute in significant ways to each of the Focal Area Strategies while at the same time delivering multiple benefits across several MEAs.

Food Systems, Land Use, and Restoration Impact Program

Global Context

250. How the world's food system and land use evolves over the coming few decades will have major implications for the health of the planet. Humanity's demand for food is one of the major underlying drivers of change affecting the global environment, causing significant biodiversity loss and GHG emissions, irreversible land degradation, and depletion of water resources. This is why the GEF must focus on reducing the threats from where and how food is produced. In this regard, key land management obstacles have to be tackled in an holistic way and at ecologically relevant scales. Landscape-scale interventions based on comprehensive land use planning are necessary to foster a transformational change in food systems and land use that is more environmentally sustainable. Figure 2 below shows at a small scale an example of a sustainable integrated landscape.

Figure 2. Sustainable Integrated Landscape³⁷



251. Figure 2 (not to scale) illustrates how a sustainably integrated landscape simultaneously meets a full range of *local* needs, including water availability, nutritious and profitable crops for families and local markets, and enhancing human health; while also contributing to *national* economic development and policy commitments (e.g. NDCs, LDN, Aichi targets for biodiversity conservation, Bonn Challenge); and delivering *globally* to the maintenance of biodiversity, climate change mitigation and adaptation, and provision of food, fiber, and commercial commodities to international supply chains.

252. Four key global challenges ought to be considered in any intervention designed to achieve the ambition of transformational change in food systems and land use. First, the world needs to feed a growing and increasingly affluent global population. The United Nations projects that the world's population will grow from 6.9 billion in 2010 to 9.8 billion by 2050, with most of the growth occurring in the developing world³⁸. And as the number of people grows, the share that is affluent is projected to grow as well³⁹. History shows that more affluent consumers demand more resource-intensive food⁴⁰. As a result of growing population and higher per-capita demand,

³⁷ Figure from Landscape Partnerships for Sustainable Development: Achieving the SDGs through Integrated Landscape Management. Landscapes for People, Food and Nature Initiative. 2015.

³⁸ UNDESA (2017). 9.8 billion people in 2050 reflects the “medium fertility variant” or medium population growth scenario (as opposed to the low growth and high growth scenarios published by UNDESA).

³⁹ “Middle class” is defined by OECD as having per capita income of USD 3,650 to USD 36,500 per year or USD 10 to USD 100 per day in purchasing power parity terms. “Middle class” data from Kharas (2010).

⁴⁰ Foresight (2011a).

food availability will need to increase 60-70% above 2010 levels by 2050 if present trends continue. Yet at the same time, approximately 795 million of the world's poorest people remain undernourished even today⁴¹.

253. Second, the world needs to dramatically reduce the food system's impact on biodiversity, ecosystems, and ecosystem services. By one estimate, "worldwide agriculture has already cleared or converted 70% of grassland, 50% of the savanna, 45% of the temperate deciduous forest, and 27% of tropical forests⁴²." With 40% of the planet's landmass (excluding deserts, permanent ice, and lakes) being used to grow food⁴³, the potential for exacerbating environmental degradation will only increase as agriculture continues to expand. Tropical deforestation and associated impacts on biodiversity (tropical forests support approximately 70% of the terrestrial world's plant and animal species) will continue⁴⁴. At the same time, nearly 2 billion hectares of cropland, grazing land, forests, and woodlands are degraded⁴⁵. This has negative impacts on ecosystem services, including the provision of freshwater, food, fuel and fiber, clean air and water, climate regulation, and habitat. Importantly, some of the ecosystem services already provide critical input to agricultural production, while others, such as biological control, hold significant potential in providing nature based solutions to agricultural intensification. The biodiversity underpinning these key agricultural ecosystem services need to be conserved and managed to harness more fully its contribution to sustainable agricultural production.

254. Third, the world needs to reduce the food and related land-use system's overall impact on climate change. The Paris Agreement commits countries to balance sinks and sources of greenhouse gases sometime in the second half of this century. Agriculture accounted for nearly a quarter of global greenhouse gas emissions in 2010⁴⁶. This figure includes 13% from agricultural production, namely methane from livestock, nitrous oxide from fertilizer use, and carbon dioxide from tractors and fertilizer production. Land use change contributed another 11% (some estimates go to 15% or higher⁴⁷), caused primarily by converting forests, woody savannas, and grasslands into crops and pastures, and by draining peatlands for agriculture. The greenhouse gas emissions associated with the entire global food system—from food transport, infrastructure, refrigeration or preparation of food throughout the value chain, to emissions from waste—are thought to be greater still.

255. Fourth, today's food system consumes far too much water and generates unsustainable levels of pollution. Agriculture accounts for 70% of all freshwater withdrawn from rivers, lakes,

⁴¹ FAO, IFAD and WFP (2015).

⁴² Foley et al. (2011).

⁴³ Figures exclude Antarctica. FAO (2011b).

⁴⁴ Millennium Ecosystem Assessment (2005).

⁴⁵ Gibbs and Salmon, 2015

⁴⁶ WRI analysis based on UNEP (2012), FAO (2012e), EIA (2012), IEA (2012), and Houghton (2008) with adjustments. This figure excludes downstream emissions from the entire food system in processing, retailing and cooking, which are overwhelmingly from energy use, and which must be addressed primarily by a broader transformation of the energy sector.

⁴⁷ Boucher et al. (2011).

and aquifers. When considering freshwater actually consumed, the figure rises to 80-90%⁴⁸. In addition, the food system uses 4.6 million tons of pesticides each year⁴⁹, and more than half of the nitrogen fertilizer applied to crops is lost to the environment—placing pressure on freshwater and coastal ecosystems⁵⁰. For instance, agriculture is the primary source of nutrient runoff from farm fields and poor manure management, which creates “dead zones” and toxic algal blooms in coastal waters and aquatic ecosystems. Techniques are known for proper use of chemical inputs and management of nutrients,, but these are not yet being applied at scale.

256. Each of these challenges is accentuated by the already unavoidable impact of climate change. Rising greenhouse gas concentrations will lead to reduced agricultural productivity globally. This, in turn, will threaten some livelihoods, increase pressure on vulnerable ecosystems and biodiversity, potentially reduce the land systems’ capacity to act as a carbon sink (if large tracts of temperate and tropical forests and grasslands turn into carbon sources), and add pressure to the water cycle with increasing water stress⁵¹. The world needs a more sustainable food system, one that embeds sustainability from farm to fork, generates agricultural commodities without deforestation and habitat conversion, and restores soils and degraded areas back into natural ecosystems or into productivity (relieving pressure for further conversion). The challenges are integrated; the solution needs to be as well. Paradoxically, while unsustainable agricultural systems are a threat to biodiversity, genetic diversity is also essential to provide the necessary adaptability and resilience to agriculture and food production systems in times of climate change.

257. Fortunately, windows of opportunity have opened to foster a transformational shift to a more sustainable food and land-use system. For example, natural climate solutions, such as forest conservation and restoration, and improved land management practices, including safeguards for food, fiber, and habitat, can provide over one-third of the cost-effective climate mitigation needed between now and 2030 to stabilize warming to below 2°C⁵². Alongside aggressive fossil fuel emissions reductions, natural climate solutions offer a powerful set of options for nations to deliver on the Paris Climate Agreement while improving soil productivity, cleaning our air and water, and maintaining biodiversity⁵³. Government willingness to tackle this grand challenge is on the rise. For instance, under the Paris this Agreement, more than 60 countries included avoided deforestation in their nationally determined contributions (NDCs) and more than 100 included actions within agriculture. Likewise, many of SDGs address food systems

⁴⁸ Foley et al. (2005).

⁴⁹ Zhang, W., F. Jiang, and J. Ou. 2011. “Global pesticide consumption and pollution: with China as a focus.” *Proceedings of the International Academy of Ecology and Environmental Sciences* 1(2): 125-144

⁵⁰ Zhang, X., E. Davidson, D. Mauzerall, T. Searchinger, P. Dumas, and Y. Shen. 2015. “Managing Nitrogen for Sustainable Development.” *Nature* 528: 51-59; Lassaletta, L., G. Billen, B. Grizzetti, J. Anglade, and J. Garnier. 2014. “50 Year Trends in Nitrogen Use Efficiency of World Cropping Systems: The Relationship Between Yield and Nitrogen Input to Cropland.” *Environmental Research Letters* 9: 105011.

⁵¹ IPCC AR5 (2014)

⁵² Griscom B. W. et al (2017). “Natural climate solutions”. Proceedings of the National Academy of Sciences of the United States of America

⁵³ Griscom B. W. et al (2017).

and land use directly or indirectly. And at the end of 2017, 40 nations have committed to restore 150 million hectares (Mha) of degraded land under The Bonn Challenge—a historic commitment.

258. Momentum has been building in the private sector and civil society too. In 2010, the Consumer Goods Forum (CGF) committed to eradicating deforestation from their soft commodity supply chains (e.g., beef, palm oil, soy). Building off this, in 2012 the Tropical Forest Alliance 2020 formed to facilitate business and public sector collaboration to achieve these zero deforestation commitments. At the UN Climate Summit in 2014, companies as well as governments and civil society signed the historic New York Declaration on Forests, committing themselves to eliminating agriculture-driven deforestation by 2020. To date, more than 400 companies have pledged to reduce their impacts on forests and respect the rights of forest communities. And 2017 witnessed the creation of the Food and Land Use Coalition, a public-private partnership dedicated to the transition toward a sustainable food and land-use system. Since the development of the Climate Smart Agriculture in 2010, the crucial role of agriculture and the power of the soils within an integrated landscape approach has been increasingly recognized through the establishment of partnerships or initiatives, bringing together varied stakeholders from the public and private sectors, research institutes and NGOs, such as the recently launched “4 per 1000 initiative: soils for food security and climate”.

Program Description

259. The challenges and opportunities highlighted above suggest that a significant transformation of global food and land use systems is needed to ensure that productive lands, which are important contributors to national economies and to the safeguarding of food security, are embedded within landscapes that continue to provide ecosystem services and where valuable natural capital is maintained as global environmental benefits. Conventional policy approaches to attaining this that assume land can have one priority objective while ‘trading-off’ other objectives are no longer viable in much of the world. Instead, achieving this transition will require a holistic, system-wide approach integrating both horizontal (land and natural resources) and vertical (food value and supply chain) dimensions.

260. The Impact Program on Food Systems, Land Use, and Restoration offers a timely opportunity for addressing the underlying drivers of unsustainable food systems and land use change through supporting countries to take a more holistic and system-wide approach that is in line with their specific needs for generating Global Environmental Benefits. A coordinated rational and more environmentally sustainable land-use framework at a national or jurisdictional level is key to ensure efficient food production and commodity supply chains, protect the environment, and support human prosperity. The Impact program will focus on achieving three objectives: (1) Promoting sustainable food systems to meet growing global demand, (2) Promoting deforestation-free agricultural commodity supply chains to slow loss of tropical forests, and (3) Promoting restoration of degraded landscapes for sustainable production and to maintain ecosystem services, which will be described in detail further below.

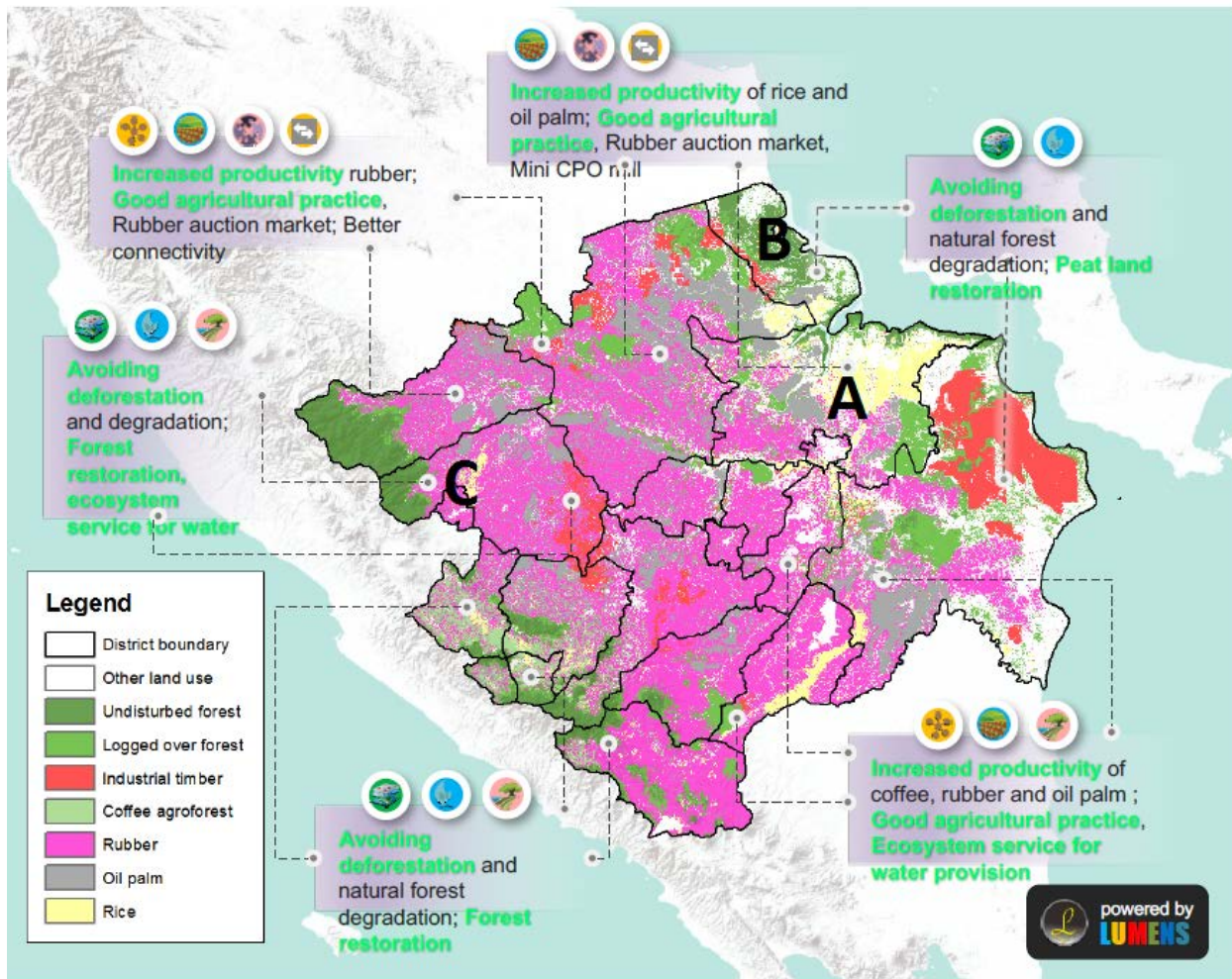
261. The Impact Program will aim to reconcile competing social, economic, and environmental objectives of land management and move away from unsustainable sectoral approach⁵⁴. Comprehensive planning will underpin transformational shift in large landscapes by taking into account competing demands for production of staple foods and major agricultural commodities, and at the same time harnessing opportunities to protect natural environments and restore degraded landscapes. Supporting governments at the national and/or sub-national level in executing and implementing this planning will be a key undertaking of the Impact Program

262. The map⁵⁵ in figure 3 below from the Green Growth Program for South Sumatra Province in Indonesia—supported by IDH and ICRAF— demonstrates an example of such a coordinated land management approach across a range of different land use types and usage zones, as is necessary to achieve sustainability and land integrity at scale. The province is made up of more than 15 districts and municipalities and spans 92,000 km² (35 thousand miles²). As different land uses in such a landscape rely on the same resource base, interventions concentrating on improving output in a single sector must be undertaken in coordination with other sectors to avoid the negative affects of land use competition. For example the intervention labeled “A” in the diagram must recognize that increasing the productivity of rice will occur in a land context where commercial commodities (oil palm and rubber) are also important, requiring management strategies that takes into account their interconnectedness. Improving yields of the commodities in this area would also be key to avoiding their expansion into and destruction of the forested area labelled “B.” Conservation and forest restoration in the area labelled “C”, particularly through agroforestry systems, helps generate global environmental benefits through the preservation of biodiversity, carbon emissions avoided and carbon sequestration. This also maintains important local ecosystem services including the provision of clean water for crops and communities, that helps secure the food security, resilience, and livelihoods of local farmers.

⁵⁴ Denier, L., Scherr, S., Shames, S., Chatterton, P., Hovani, L., Stam, N. 2015. The Little Sustainable Landscapes Book. Global Canopy Programme: Oxford.

⁵⁵ IDH, 2017

Figure 3. Land management examples from Sumatra, Indonesia.



263. Scale is an important consideration and deciding factor of how to bring about transformational change and impact. The Impact Program will operate at large spatial scales with ecological relevance in entire countries or jurisdictions. An approach at that scale requires a suite of related strategies and interventions that need to be pursued simultaneously and depending on countries' contexts. Only in this way holistic and integrated approaches can be designed that fully harness synergy, address trade-offs, and avoid emphasis on demonstration or pilot sites but instead focus on impact at scale.

264. For example, in the jurisdictional approaches towards sustainable landscapes in San Martin, Peru and Acre and Mato Grosso, Brazil⁵⁶, the business case for sustainable transitions in these jurisdictions has been proven by designing interrelated strategies for natural resource management and outlining the financial benefits of improved land use planning and options for increasing productivity. The major lesson learned in these cases is that the frameworks produced

⁵⁶ <https://globalcanopy.org/implementing-sustainable-landscapes>

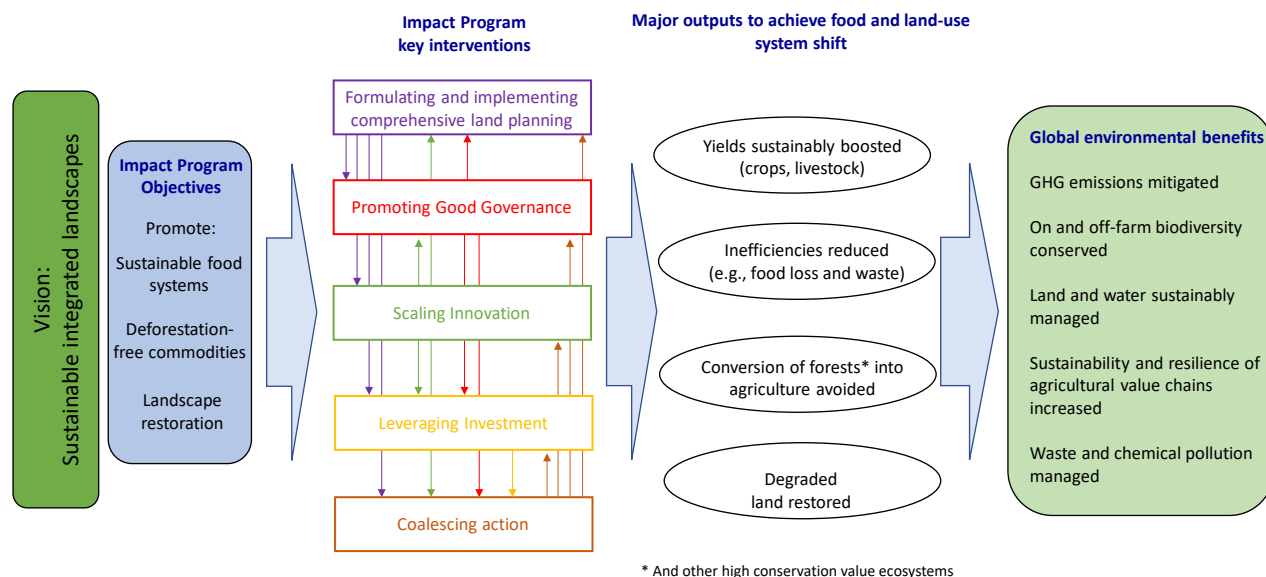
need to provide clear plans and actions for governments, risk mitigation and income potential for investors, and improvements in productivity and social conditions for local communities.

265. The GEF has long-standing experience promoting project designs to meet multiple land management objectives. It is, therefore, well placed to foster such integrated approaches, which will enable countries to base interventions on comprehensive land use planning as a prerequisite for impactful interventions. Ideally, such comprehensive planning should already be in place in order to underpin transformational shift in landscapes. However, some required steps to support enabling conditions to carry out this planning can be established and/or refined within the scope of this Impact Program.

266. Globally, countries vary considerably in their approach to food systems and land use challenges. For example, production of agricultural commodities for the global food supply chains is a major driver of land use change and environmental degradation in the tropical forests and peatlands of Southeast Asia, Africa and Latin America. The growing demand for these agricultural commodities (especially palm oil, beef, soy, coffee, and cocoa) as sources of raw material for global commodity trade will increase deforestation risks in many countries in these regions. Similarly, irrigated rice production in South and Southeast Asia is a major source of negative externalities such as methane emissions, eutrophication from excessive use of nutrients, and overexploitation of both ground and surface freshwater. In sub-Saharan Africa, livestock in the savannah regions are a major source of methane emissions, while low productivity of smallholder agriculture is an important driver of land degradation and loss of vegetative cover. Because Africa and South Asia are projected to have the most significant population growth and the largest increases in per capita income and consumption, what happens with food production and commodity production more specifically in those two regions will be critical globally.

267. As shown in the Theory of Change below ([Figure 4](#)), in order to accommodate differences between countries with respect to opportunities for leveraging GEF financing, the proposed Impact Program will offer a suite of objectives to build implementation packages covering multiple objectives and catering to a wide range of contexts and baseline situations. In this way, integrated solutions can be provided that meet the needs of diverse recipient countries aspiring to transform their food and land-use systems in a manner that generates multiple global environmental benefits. Taking the Sumatra example above, projects can be developed that focus on either food systems, commodities, or restoration actions, and where possible in combination of 2 or 3 of these objectives as part of their specific landscape needs.

Figure 4. Theory of Change



268. The vision in the theory of change of fostering sustainable integrated landscapes to generate Global Environmental Benefits would ideally be attained by supporting countries to combine two or more of the Impact Program objectives (i.e., Sustainable food systems, Deforestation-free commodities, Landscape restoration)—although in some land contexts a single objective focus would be sufficient. The key interventions cut across all the Impact Program objectives, are inter-related and will produce outcomes that are mutually supportive and necessary to achieve food and land use systems impact. Work to *formulate and implement comprehensive land planning* is integral to rationalizing land use in a way that addresses interconnectedness and trade-offs across multiple scales and ecosystems (natural and agricultural). *Promoting Good Governance* is important for achieving a policy environment where institutional and policy directives are aligned at the national and sub-national levels, as is necessary to eliminate unintended negative interactions that arise when multiple sectoral plans are implemented independently of each other. *Innovations* are the needed spark change, with *financing* helping capitalize required interventions that move away from business as usual scenarios. Complementing all this are multi-sector *coalitions of action* that allow for initiatives to take change to scale. Objectives of the Impact Program are described in further detail in the following paragraphs.

Promoting sustainable food systems to meet growing global demand

269. This objective will enable countries seeking to meet growing demand for increased crop and livestock production, without the risk of further loss of natural habitats, erosion of genetic diversity, overexploitation of land and water resources, overuse of chemical fertilizers and pesticides, increased greenhouse gas emissions, and inefficient practices that lead to food loss

and waste. This is particularly crucial for GEF eligible regions where such risks are associated with value chains of major staple food crops (mainly maize, rice, wheat, pulses, and root crops) and livestock. A recent assessment in the Sub-Saharan Africa region suggests that there are multiple approaches and technical practices throughout the region to better harness value chains and reduce environmental impacts and externalities.⁵⁷ The assessment suggests that utilizing an inclusive action-based, multi-stakeholder platform can facilitate the collective action required to tackle negative externalities and foster a shift towards environmentally sustainable and resilient food VCs.

270. Through the IP, the GEF will help countries to catalyze more resource-efficient and effective food value chains that shift the world to more sustainable, resilient, healthier, and nutritious food systems. The approach will be holistic, encompassing all stages of the food value chain from production, processing, and distribution to marketing, consumption, and disposal. It will support long-term pathways toward sustainable food systems, including by efforts to ensure that climate robust plant and animal varieties will be available for agriculture (cf. also para 60 in the Biodiversity Focal Area section). It will engage agribusiness and the food industry, harnessing their ability to scale best practices and standards across global food value chains and their ability to support small- and medium-sized enterprises.

Promoting deforestation-free agricultural commodity supply chains to slow loss of tropical forests

271. The focus on deforestation-free commodities accelerates and scales up efforts to eliminate deforestation and other habitat conversion from agricultural supply chains—which accounts for a significant proportion of greenhouse gas emissions. Building on a successful pilot program from GEF-6, GEF-7 will deepen engagement on beef, palm oil, and soy supply chains, and broaden focus to include cocoa and coffee. Maintaining natural habitat is a critical aspect of the long-term pathway toward more sustainable food systems and land use, especially in the tropical forest regions. By emphasizing the need to take deforestation out of the commodity supply chains, this IP is complementary to the IP on Sustainable Forest Management, while also avoiding direct overlap. For example, in Brazil the SFM IP focuses on protected forests in the Amazon Biome, where a 2006 moratorium on new land clearing for soy contributed to a significant drop in deforestation in the area over the past decade. However, much of the forest clearing for soy in Brazil has since ‘leaked’ to the adjacent Cerrado Biome, which is a global biodiversity hotspot. In GEF-7, the Food Systems Impact Program will build upon and benefit from the GEF-6 Commodities IAP work being undertaken in the Cerrado to reduce clearing of natural forest in production areas for soy, while retaining a primary focus on protected forests in the Brazilian Amazon through the SFM IP. In tropical forest regions in the Congo where commodities are responsible for significant deforestation, the IP priorities will be similarly aligned with those under the SFM IP to maximize potential for securing forests by addressing a broad range of threats that they face. Under this objective, the GEF will support efforts to engage global and national supply chain actors—including smallholders and other producers, buyers, traders,

⁵⁷UNDP and GEF (2017). Options and Opportunities to Make Food Value Chains More Environmentally Sustainable and Resilient in Sub-Saharan Africa. http://www.thegef.org/sites/default/files/publications/UNDP-GEF_VC_Study_Engl.pdf

retailers, and financing institutions—to further stimulate both supply and demand for deforestation-free agricultural commodities. The ultimate goal is to make deforestation-free a viable and mainstream business model.

272. The GEF will support efforts to strengthen existing weaknesses in the supply-chain approach, specifically the on-the-ground operationalization of deforestation-free commitments made by corporations over the past five years. This will be done while simultaneously assisting governments that have included addressing deforestation as a key national policy priority in progressing toward this goal. Despite sharing similar objectives, corporations and governments have, to a large degree, acted in isolation regarding approaches to addressing tropical deforestation⁵⁸. One critical step in converting these aspirations into action is, therefore, to work with government and major actors from across the supply chain on multi-stakeholder platforms that achieve deeper collaboration, coordination and understanding on advancing deforestation-free commodity implementation. Promising jurisdictional approaches, where comprehensive planning on a sub-national level aligns incentives between actors and generates multiple benefits for companies, governments, and local communities,⁵⁹ may be targetted for platform development so that key actors from jurisdictions can exchange experiences, share successes, and inspire replication across countries and commodities.

Promoting restoration of degraded landscapes for sustainable production and to maintain ecosystem services

273. This objective will target countries seeking to restore degraded ecosystems for reversing negative impacts on biodiversity and ecosystem services, including the provision of freshwater, food, fuel and fiber, air and water quality, and climate regulation, while supporting the production aspects of those same landscapes. The GEF will enable countries to deliver on these commitments through investments that will specifically seek to shift degraded habitats into more productive systems for food and commodities, while generating multiple Global Environmental Benefits. In this way, the Impact Program will compliment the efforts made in the SFM Impact Program, which is focused on maintenance of ecosystem services in selected biomes.

274. Restoring degraded agricultural lands (e.g., cropland, grazing land) back to increased productivity will involve a holistic suite of sustainable land management practices such as agroforestry, silvo-pastoral systems, agro-ecological intensification, and other practices.⁶⁰ This is particularly important for increasing sequestration of carbon in soil, which is estimated to be between 0.90 and 1.85 Pg C/yr globally.⁶¹ The GEF will support restoration across a network of landscapes that span regions, both trans-boundary and intra-boundary. Forest and agricultural landscape restoration will directly support Bonn Challenge pledges, and increase the likelihood

⁵⁸ Miller, C., Lujan, B., & Schaap, B. (2017). Collaboration Toward Zero Deforestation: Aligning Corporate and National Commitments in Brazil and Indonesia. Forest Trends and Environmental Defense Fund.

⁵⁹ Miller, Dana and Meyer, Christopher. (2015). Zero Deforestation Zones: The Case for Linking Deforestation-Free Supply Chain Initiatives and Jurisdictional REDD+. *Journal of Sustainable Forestry* 34:6-7, pages 559-580.

⁶⁰ See <https://qcat.wocat.t/en/wocat/> for an overview of practices

⁶¹ Zomer RJ, Bossio DA, Sommer R, Verchot L. (2017). Global Sequestration Potential of Increased Organic Carbon in Cropland Soils. *Scientific Reports*. 7:15554

of having strong buy-in from countries that have already completed planning for targeted landscapes.

275. The agriculture context for landscape restoration will be clearly defined to become mutually supportive and a critical objective for an integrated approach to transform food systems. For instance, the value-chain approach for more sustainable food systems is an underlying feature of deforestation-free commodities whereby buyer-supplier contracts (and financing) are predicated on avoided deforestation or conversion more generally. Building global demand for deforestation-free commodities helps trigger pressure to restore degraded agricultural lands back in to productivity (to meet demand) and to restore degraded ecosystems (to rectify past commodity-driven deforestation). Restored landscapes help achieve a more sustainable food system by maximizing land-use efficiency and global environmental benefits.

Private Sector Engagement

276. Private sector engagement will be critical to attuning policies and practice necessary to achieve the innovation and transformational change in land use sought by the Impact Program. GEF financing will incentivize actions by national governments to promote private sector investment, such as through policy options for scaling-up existing technologies and good practices that reduce negative externalities along food value chains, and for promoting access by land users to input and markets for products that drive sustainable production at scale. Broadly categories of engagement could include support of private sector efforts to⁶²:

- *Strengthen corporate governance and sourcing policies, including through the provision of incentives and support to suppliers, particularly small-holders.* This is illustrated through an agreement developed by Carrefour and Agrotools with the government of Mato Grosso, Brazil for development of an electronic system to monitor purchases of domestically consumed beef to ensure meat does not come from producers who engage in deforestation, or ranch in embargoed and protected areas or on land held by indigenous communities⁶³;
- *Identify and source from jurisdictions that are putting in place ambitious programs to rationalize and improve land management.* For example, Sabah Malaysia's jurisdictional wide certification of palm oil. By committing to sustainable approaches for palm oil and forestry, the government of Sabah intends to maintain clean waterways; limit deforestation; reduce land degradation; and support alternative livelihoods for forests communities, while helping to meet global demand for sustainable palm oil⁶⁴;

⁶² List adapted from Miller and Meyer (2015)

⁶³ <http://www.carrefour.com/current-news/carrefour-launches-its-sustainable-farming-platform>

⁶⁴ Alhabeta. (2017). Supporting jurisdictional leadership in net zero deforestation through sustainable value chains: Opportunities for TFA 2020. Report prepared for Tropical Forest Alliance 2020.

- *Require zero deforestation in supply chains for both direct and indirect suppliers.* To date, only about 20% of influential Forest 500 companies (as compiled by the Global Canopy Programme) have made zero or zero net deforestation commitments,⁶⁵ and these and other companies making such pledges are facing challenges in meeting them; and
- *Support government policy and regulatory reform, with the understanding that these elements are needed for companies to meet their own corporate commitments.* Demonstrated by the active involvement of private sector in Africa Palm Oil Initiative (APOI), in which 10 West and Central Africa countries are developing national action plans to transition the palm oil sector into a sustainable driver of development that is socially beneficial and protects the tropical forests of the region.

277. Small and medium-sized enterprises (SMEs) are critical contributors to the supply chain and are often at the leading edge of both environmental threats and solutions to mitigate them. This includes technologies and practices for sustainable intensification on-farm (e.g., improving land and water management, harnessing biodiversity and ecosystem services, such as pollination and biological pest control); improved use of agricultural inputs (e.g., feedstocks and manure management systems that reduce livestock greenhouse gas emissions and recapture and recycle valuable inputs such as energy, organic matter, better fertilizer technologies/practices, efficient irrigation practices); and for reducing food loss and waste (e.g. energy efficient storage).

278. Private sector involvement in the sustainable production of commercial commodities will be important to improve smallholder yields in order to reduce their need to expand into natural forest areas, and to link their products to markets; ensure that actors across the supply chain are compelled to not only make but meet but meet their zero-deforestation commitments; encourage sustainable sourcing by traders and retailers; and ensure that financing into the sector by domestic and international banks and other financiers not only recognizes the importance of forest safeguards but that these become a financing precondition⁶⁶.

279. The Impact Program will also facilitate crowding-in of private sector investments in land use systems using financial incentives including non-grant financial instruments that can reduce the risk of investors and helping to create the economic underpinning of required system changes to sustain impact in the long-run.

280. Access to finance for smallholders and small businesses in most land sectors is a big challenge. In this context, the LDN fund is an innovative private sector fund, which will invest in profit-generating sustainable land management and restoration projects worldwide. The Impact Program will use this opportunity to cooperate with countries that implement projects funded by the LDN fund. Specifically, countries⁶⁷ that are already in an advanced stage or have expressed interest in bringing transformative projects to the LDN fund may wish to participate in the Impact

⁶⁵ Haupt et al. (2017) Zero-deforestation Commodity Supply Chains by 2020: Are We on Track? Background Paper prepared for the Prince of Wales' International Sustainability Unit.

⁶⁶ Ibid.

⁶⁷ E.g. Brazil, Indonesia, Nicaragua, Peru, Tanzania, Zambia, Kazakhstan, Mali, and Colombia.

Program to complement these efforts to enhance their environmental impact and sustainability in the long term and to contribute to achieving voluntary Land Degradation Neutrality targets in those countries.

Criteria and Key Interventions for GEF Financing

281. The Impact Program on Food Systems, Land Use, and Restoration will help to promote transformational shift to more sustainable food and land-use systems, and thereby help meet the objectives of numerous multilateral environmental agreements. It will harness the expertise and reach of multiple sectors: governments, companies, financial institutions, land managers, research institutions, and civil society. The Impact Program will achieve measurable, transformational change in terms of global environmental benefits (e.g., climate, biodiversity, water, chemicals), while at the same time supporting improvements in human well-being, country resilience, and economic growth and prosperity. By promoting an integrated approach across sectors, actors, and geographies, this Impact Program will help ultimately trigger a shift to a more sustainable food and land use system.

282. The Impact Program seeks to catalyze systemic change by delivering integrated solutions to environmental challenges that leads to multiple benefits at national or jurisdictional scale. Therefore, GEF financing will be based on the following criteria:

- *Contribution to wider national/sub-national strategy.* The programming should be aligned with and contribute to implementing a salient portion of a clear, compelling, and comprehensive national or sub-national—particularly jurisdictional—land use strategy for transitioning to a more sustainable food and land-use system. That strategy should be based on science-based, long-term pathway(s) for how the country's or jurisdiction's food and land-use systems will meet national development needs as well as commitments under the multilateral environmental agreements;
- *Public sector support.* The programming must demonstrate strong buy-in from public sector entities (e.g., government ministries and agencies), including a program previously endorsed by the government (e.g., TFA2020 deforestation-free commodities program, restoration commitment). The enabling policy and regulatory environment, including efforts to clarify or reform land tenure and monitor and enforce laws, should be conducive to generating positive results through implementation of the Impact Program;
- *Private sector involvement.* The programming should consider private sector entities with the ability to have on-the-ground impact. These could include companies involved in any stage of the food and commercial commodity supply chain, restoration implementers, and solution providers, among others;
- *Potential for achieving large-scale change.* As discussed above, this will be necessary to so that results generate significant global environmental benefits requiring a clearly identified approach for converting results into larger scale impact in terms of geographies covered, financing mobilized, and number of actors influenced; and

- *Ability to catalyze innovations generated in technology, policy, governance, financing, and business models.* Transitioning to sustainable food and land-use systems will ultimately require new ways of doing business if successful.

283. Key interventions for GEF financing within this Impact Program include the following: a) formulating and implementing comprehensive land planning, b) promoting good governance, c) scaling innovations, d) leveraging investment, and e) supporting coalitions of action.

Formulating and implementing comprehensive land planning

284. This Impact Program will support interventions designed to get the right context in place for the transition to a more sustainable food and land-use system. Examples of such enhancements include (but are not limited to):

- Land reclassification, licensing, zoning, and trade off analyses;
- Convening multi-stakeholder dialogues and ensuring involvement of local governments, local communities, indigenous peoples, and women; and
- Support techniques that increase on-the-ground ability of governments, the private sector, land owners (especially smallholders), and civil society to sustainably produce food and commodities, and restore lands.

Promoting good governance

285. Support will be provided to governments to take steps in aligning objectives, budgets, incentives and capacities across government ministries and agencies responsible for different sectors (e.g. agriculture, forestry, environment, planning and investment, etc) and facilitating and rewarding inter-agency coordination and collaboration. Additional policy instruments and governance reforms reform could include, but are not be limited to, the following:

- Protected area enforcement, tenure clarification and security, and recognized indigenous rights;
- Efforts to secure livelihoods and tenure rights of smallholders;
- Encouraging public hearings and participation in decisions on land-use; and
- Applying monitoring and assessment tools that enable a timely and refined understanding of on-the-ground conditions, interventions, and resulting impacts.

Scaling innovations

286. The Program will support combinations of innovations that have the potential to shift the economic and political calculus of decisions by policymakers, private sector actors, and producers toward more sustainable food and land-use systems. Candidate innovations include:

- Breakthroughs technologies (e.g., those enabling sustainable agricultural intensification, those reducing greenhouse gas emissions from livestock or fertilizer);
- Step-change improvements in land management practices (e.g., those that lower the costs of land rehabilitation and restoration);
- New business models that align business practices with sustainability, such as deforestation-free commodity procurement agreements, long-term contracts, and ESOPs or joint ventures that encourage a more efficient scale of production for smallholders; and
- Technology-enhanced monitoring of land use and land-use change to increase transparency, enable adaptive management, and improve accountability.

Leveraging finance

287. The Impact Program will support efforts to increase the availability and absorption of financing for the transition to more sustainable food and land-use systems. Delivery of technical assistance will include how to bring “bankable projects” (e.g., restoration projects, new business models, improved technologies, etc.) successfully into the investment phase. Financing leveraged will include:

- Blended finance that de-risks (e.g., first-loss guarantees) private sector investment, and development of financial products, such as green bonds and other structured instruments, to attract much larger financing;
- Results-based financing for carbon emissions reductions; and
- Local bank loans to smallholders and low-tech plantations to achieve desired productivity gains.

Coalescing action

288. Multi-stakeholder initiatives and platforms that bring governments, companies, NGOs and other target stakeholders together will help to scale and replicate approaches and results. See Table 6 “Existing global collaborations and initiatives relevant to the IP” for details on a number of these initiatives across the three program objectives.

Existing initiatives and Potential Partners

289. There are several existing global and regional multi-stakeholder platforms that the Impact Program could engage to rapidly gain on-the-ground traction and to scale the Program’s impact (See Table 6). These platforms offer opportunities for GEF-funded projects to collaboratively engage financial institutions, food companies (producers, processors, and retailers), policy-makers, technical experts, and civil society. Thus, the Impact Program will not be starting from

scratch but will be able to leverage or “turbo-charge” existing momentum to accelerate progress toward more sustainable food systems and land use.

Contributions to the Multilateral Environmental Agreements

290. UN Convention on Combating Desertification – The UNCCD text explicitly mentions links between desertification, drought, and lack of food security. The Convention currently has a Ten-Year Strategy and Action Plan (2008 – 2018) that aims to forge a global partnership to reverse and prevent desertification/land degradation and to mitigate the effects of drought. Four strategic objectives guide the actions of all UNCCD stakeholders and partners, all of which will be directly supported by the Impact Program, and as a result, enable countries to advance toward their Land Degradation Neutrality targets. And finally, restoration of degraded lands is key to achieving Land Degradation Neutrality (LDN) through UNCCD.

291. Convention on Biological Diversity – The CBD recognizes the critical importance of conservation and sustainable use of biological diversity for agriculture, food and nutritional security. The IP specifically integrates priorities under the BD focal area, and will directly support the convention agenda by promoting innovative practices that harness ecosystem services derived from biodiversity (e.g. pollination, soil health), increase on-farm diversification and sustainable use of agrobiodiversity, and reduce direct pressure on natural habitats. The CBD currently has a Strategic Plan for Biodiversity, including the Aichi Biodiversity Targets covering the period 2011–2020, that embody the proposed IP outcomes as priorities for countries to invest.

292. UN Framework Convention on Climate Change – The IP will directly contribute to climate change mitigation and adaptation, and responds in an integrated way to the Paris Agreement. For example, land as such including forests and other terrestrial ecosystems can act as major carbon sinks and thus form an essential component of mitigation strategies laid out by the IPCC. Soils too can be sinks for carbon, even on farms if they are managed for that purpose. Restoration through reforestation and sustainable management of forest plays an important role in the UNFCCC’s REDD+ mechanism. The Impact Program will also position countries to leverage LDCF/SCCF resources based on priorities identified in National Adaptation Programs.

293. Beyond the Rio Conventions, the IP will also contribute to the Stockholm Convention objectives. The negative environmental effects on ecosystem services and the food chain due to industrial waste are significant. By enhancing capacity for sustainable management of pesticides and promoting safer alternatives to pesticides, the IP will contribute to reducing and ultimately eliminating the continued reliance on POPs pesticides in food systems.

Comparative Advantage of the Global Environment Facility

294. The GEF is well placed to advance transformational change in agriculture and land use systems in ways that maintain or restore ecosystem function and generate biodiversity, sustainable land management, and climate change mitigation benefits. This IP draws from GEF’s vast experience in developing sustainable agriculture, SFM, commodities, and restoration

programs, and ensures that the approach is integrated to enable the tackling of drivers of environmental degradation in a synergistic way. In particular, this will build on the experience of GEF-6 with the IAP on Food Security in Africa, and the IAP on Commodities which have already put in place collaborations and networks that can continue to expand in this new IP. The GEF will play a catalytic role in leveraging private sector engagement and co-financing while generating GEBs across different focal areas. The GEF has already engaged with key players and participated in platforms such as TFA2020, the Global Restoration Council and the Bonn Challenge.

295. The IP provides a new approach through which GEF financing will directly focus on good practices and innovations in food systems and value chains that meet demands for increased efficiency and effectiveness. While the GEF financing alone cannot address the full range of challenges for ensuring more sustainable food systems, it can play a significant role in catalyzing innovations to foster efficiency and effectiveness across the entire food value chains. The GEF's convening role within the framework of MEAs is particularly crucial for engaging key stakeholders to advance the environmental sustainability and resilience agenda for food systems in the developing world. By mobilizing diverse stakeholders and linking across scales, the synergistic and catalytic effects of GEF financing for the IP will also be greater than what can be achieved through disparate project investments.

Global Environmental Benefits

296. In accordance with its mandate, GEF financing will contribute measurable global environmental benefits by: a) sustainable use and conservation of biodiversity; b) increasing land area under sustainable practices without increasing the total land area used; c) increasing carbon sequestration; and d) reducing greenhouse gas emissions (GHG). Because the IP will target specific geographies during implementation, there is greater potential for economies of scale in achieving objectives of the Land Degradation, Biodiversity, and Climate Change focal areas. In addition, it will also support specific objectives and priorities under the International Waters and Chemicals and Waste Focal Areas.

Table 5. Global Environmental Benefits

Focal Area	Objectives and Priorities to be addressed through the IP
Biodiversity	<ul style="list-style-type: none"> • Manage biodiversity in production landscapes, such as through on-farm diversification, management of riparian areas, and maintenance of forest connectivity in areas that buffer forested landscapes • Harnessing biodiversity for sustainable agriculture – safeguarding biodiversity supporting key agricultural ecosystems, such as through pollination, biological pest control, or genetic diversity • Identification and set aside of high conservation value forest (HCVF) areas inside of commercial managed areas (e.g. concessions, plantations, farms, etc.) and within the broader production landscape
Climate change Mitigation	<ul style="list-style-type: none"> • Land-based and value chain GHG mitigation (<i>sequestration and avoidance</i>) - climate smart agriculture, GHG emissions reductions from food systems and supply chains, innovations soil quality improvement techniques that increase carbon storage in farmlands
Land Degradation	<ul style="list-style-type: none"> • Sustainable land management • Diversification of crop and livestock systems • Restoration of degraded production landscapes
International Waters	<ul style="list-style-type: none"> • Integrated land and water management, such as through advancing the nexus approach in watersheds and basins, improved and efficient irrigation systems • Prevention of nutrient pollution
Chemicals and Waste	<ul style="list-style-type: none"> • Replacement of POPS and relevant HHP's used in the global food supply chain, including agricultural plastics contaminated by these chemicals with alternatives, preferably non-chemical alternatives. • Disposal of obsolete agricultural chemicals that are POPs.

297. Outcomes and GEBs for the impact program will be in line with the MEAs and the SDGs, as follows:

- Sustainable land and water management in existing production systems, including improved management of chemical inputs;
- Mitigation of GHG emissions through improved crop and livestock management, and efficient use of energy-based technologies;
- Conservation of agrobiodiversity by increasing on-farm diversification and managing genetic diversity of crops and livestock;
- Contributing to Land Degradation Neutrality;
- Removal or disposal of hazardous chemicals (especially pesticides) and waste associated with food value chains; and
- Increasing sustainability and resilience of food value chains.

Table 6. Existing global collaborations and initiatives relevant to the IP

Collaboration	Description	Thematic priority		
		Sustainable Food Systems	Deforestation-free Commodities	Landscape Restoration
Food and Land Use Coalition	Public-private partnership advancing the shift to a sustainable food and land-use system, one that can nutritionally feed the world yet stay within planetary boundaries			
Global Agribusiness Alliance	Coalition of 40+ leading agriculture producers dedicated to sustainability			
New York Declaration on Forests	Includes a call to eliminate deforestation caused by agricultural commodities by 2020 and to restore 350 Mha of degraded land by 2030			
Food Reform for Sustainability and Health (FReSH)	Private sector collaboration to accelerate change in food systems to achieve healthy diets within planetary boundaries			
Consultative Group on Int'l Agricultural Research	Scientific research network assessing, among other things, ecosystem services and GHG mitigation in crop/livestock systems			
Global Alliance for Climate Smart Agriculture	Alliance seeking to catalyze transformational partnerships to advance climate-smart agriculture practices			
GROW Africa & Asia	Network to increase private sector investment in agriculture, especially with smallholder farmers.			
10-Year Framework Program on Sustain-able Food Systems	UNEP-led initiative to raise awareness and build capacity to shift to more sustainable food systems from farm to fork			
YieldWise	USD 130 million Rockefeller Foundation grant program to tackle food loss and waste in Africa, North America, and Europe			
Tropical Forest Alliance 2020	Partnership dedicated to achieving zero deforestation			

	supply chains for palm oil, beef, soy, and more.			
Consumer Goods Forum's Zero Deforestation Resolution	Commitment by world's largest retailers and manufacturers to source 100% deforestation-free soft commodities by 2020			
Cocoa & Forests Initiative	Commitment by world's top cocoa and chocolate producers to achieve zero deforestation in cocoa supply			
Tropical Forest and Agriculture Fund	Public-private financing vehicle that invests in agricultural productivity improvements linked to zero deforestation			
Governors' Climate and Forests Task Force	Coalition of 30+ governors dedicated to reducing emissions from deforestation and forest degradation			
Global Forest Watch and TRASE	Online tools that monitor forest change (loss, gain) and trade flows of soft commodities			
Conservation and Financial Markets Initiative	Moore Foundation initiative to improve production practices and financing in order to stop deforestation in Argentina, Brazil and Paraguay, and halt mangrove loss from shrimp production in Southeast Asia.			
Supply Change	Online platform that tracks corporate commitments to remove deforestation from their production and supply chains			
The Bonn Challenge	Calls on nations to restore 150 Mha of degraded forest landscapes by 2020, and a further 200 Mha by 2030			
Global Partnership on Forest Landscape Restoration	Network of practitioners, scientists, and policy-makers dedicated to supporting The Bonn Challenge			
Global Restoration Council	Coalition of public/private sector leaders (including the GEF CEO) dedicated to inspiring ambition and catalyzing action to achieve The Bonn Challenge			
Initiative 20x20	Country-led effort to bring 20 Mha of land in Latin America and the Caribbean into			

	process of restoration by 2020			
AFR100	Country-led effort to bring 100 Mha of land in Africa into process of restoration by 2030			
4 per 1000 Initiative	Initiative seeking to advance carbon sequestration in soils via farming methods (e.g., agroforestry, conservation agriculture)			

Sustainable Cities Impact Program

Global Context

298. Global urbanization has caused unprecedented challenge to the global environmental sustainability but also offers opportunities to scale-up solutions. In a world with 7.5 billion people, over 4 billion reside in urban agglomerations (United Nations, 2014; United Nations 2016), occupying only 3% of the Earth's land, but with a global ecological footprint. This is a five-fold increase in the urban population since 1950. Urban demographic projections estimate that between 2014 and 2050, another 2.5 billion people, mostly poor, will be added to the world's cities, predominantly in Asia and Africa. Africa has the highest urban growth rates in the world (3.3% per year between 2000 and 2015), and the continental urban population is projected to reach one billion by 2040. In much of the developing world, urban growth is characterized by urban sprawl—cities are expanding their territories faster than their populations. Further, the scale of conflict- and climate-induced displacement are pushing even more people towards cities⁶⁸. Globally, 65 million people were displaced and 60% of all refugees—19 million people—settled in cities. The scale and pace of the challenge is so large that mayors and local governments are struggling to respond; land use is poorly planned and unstructured; motorization rates are increasing rapidly as is pollution. The mega-trends are converging in cities with local and global negative environmental impacts.

299. Higher urban population density and concentrated emissions in cities pose risks to public health and safety within and beyond the urban jurisdictions. Air pollution contributes to half a million deaths a year in Asia, with 67% of cities failing to meet a key air quality standard for particulate matter.⁶⁹ Transboundary air and water pollution is increasingly observed around the globe with health, agriculture, and food security impacts. Additional concerns include chemical safety, handling and disposal of electronic and industrial waste with heavy metals and solvents, pesticide application for public health and vector control, and urban run-off. Cities are hotspots, which may contain more hazardous materials than in hazardous management facilities. For example, many POPs (some covered by the Stockholm Convention such as PCBs and SCCPs) are semi-volatile compounds, which may enter the gas phase at environmental temperatures, tend to be higher in modern cities than in agricultural areas.

300. Cities, the sites of most global wealth and economic activity, are acutely vulnerable to climate change. Fourteen of the world's 19 largest cities are in port areas. Around 360 million people reside in urban coastal areas that are less than ten meters above the sea level. With sea-level rise and increased frequency and intensity of storms, these areas are likely to face immediate coastal flooding with storm surge, physical damage to infrastructure, and other impacts such as compromised water and food security. Urban climate risks are unevenly

⁶⁸ Half of the Latin America's indigenous population resides in cities (World Bank, 2015) and likely in Asia and Africa.

⁶⁹ The World Health Organization recommends that PM_{2.5} levels not exceed 10 micrograms per cubic meter as a guideline for average annual PM_{2.5}. Long-term exposure to pollution above this level has been shown to increase the risk of fatal illness. It is estimated that nearly 92% of the world's people live in places where this safe level is exceeded. Of 194 countries with data in 2015, only 26 reported safe levels of PM_{2.5}, and in 145 countries more than 99% of the population was exposed to un safe levels (World Bank, 2017).

distributed. Most at risk, as the vulnerable urban poor, with about a billion urban residents living in slums, often settling in high-risk areas including in coastal or low-lying areas of urban ecosystems (United Nations, 2017). Climate change threatens to force up to 77 million urban residents back into poverty. Likewise, urban assets and systems that are mal-adapted to climate hazards are at high risk. By 2030, disasters will cost cities USD 332 billion, with the concentration of people and assets in cities making them vulnerable to cascading failures in the wake of a disaster.

301. Cities consume over two-thirds of global energy supply, and over 70% of global carbon emissions are associated with cities (IPCC, 2015). A significant share of growth in the per capita greenhouse gas emissions (GHG) in developing countries is attributed to urban areas, through expanding and intensifying energy use, with emissions from sprawl, transport, commercial and residential buildings, and industries. Meeting the production and consumption needs of urban populations for food, energy, water, and transport significantly strains rural and urban ecosystems, locally and globally. Physical expansion of urban areas can directly compromise the provision of ecosystem services vital to cities, for example those provided by forests—clean air, providing water catchment integrity, helping to control storm water and conserving energy. Policies need to consider the linkages between cities and the surrounding rural areas as well as the broader trans-boundary ecological burden. Urban planning, governance systems, and services—including water, sanitation, transport and land markets—need to address gender and promote equal opportunities to achieve greater social, economic, and environment benefits.

302. Global response to these challenges has been a three-fold prioritization of urban solutions. Urbanization is prioritized by the *2030 sustainable development* agenda by dedicating Goal 11 to Sustainable Cities and Communities along with direct reference to cities within several of the 17 Sustainable Development Goals (SDGs). This is complemented by the *Paris Climate Agreement's* emphasis on subnational actors, and the United Nation's one-in-twenty-year Habitat III conference that resulted in the adoption of the *New Urban Agenda (NUA)* in Quito, Ecuador. The NUA is an important milestone in the push for sustainability and resilience by world leaders, which included the Sendai Framework, Paris Agreement, and the Sustainable Development Goals.

303. Cities offer an effective entry point to operationalize this urban commitment and addressing these challenges for major investments in global environmental benefits in the context of local, national, and global level actions. This presents a timely opportunity for the GEF to support countries in harnessing the growing momentum by cities to advance the urban sustainability agenda.

304. Cities control policies and vital systems related to global and local environmental conditions, such as system-level management of local infrastructure and land use, regional natural resource management, and setting some environmental standards. Many cities have direct control over vast pools of public land and private and public land use, zoning, and building codes, transit systems, local roads, water supply, wastewater treatment, solid waste management, labor markets, and others. Mayors and city administrators play an essential role in

multiple levels of urban and regional governance, necessitating their direct engagement. They can be quicker in decision-making and responsive to pressure and requests from local constituencies. In the context of climate change city leaders are demonstrating global leadership as well.

305. Projected urban development demands present an opportunity and an imperative for cities to manage their development sustainably, starting with the planning and design phase. For example, there are many-fold efficiency and environmental gains to be had with ex-ante urban investments in reserving land for public right of way for infrastructure investments that follow with demand (Angel, 2014). There is an opportunity to facilitate upstream planning to demonstrate models that avoid locking in conventional urban forms, and to help demonstrate innovative options for retrofitting to make existing cities greener and more resilient. Enhancing inclusive urban-rural linkages offers opportunities to advance integrated regional development in ways that ease economic pressures leading to congestion.

306. Concentration of people, wealth, and institutions enable agglomeration economies of scale, scope, and complexity in with gains for firms, households, and cost of providing basic infrastructure and services. Urban productivity tends to be higher, enabling more efficient output with fewer resources when guided along a sustainable urbanization pathway. Cities are incubators of innovation and present unique opportunities to generate and disseminate technological, social, and cultural ideas. These offer the dual-opportunity of decarbonizing urbanization and building deep resilience, contributing to achieve Paris Climate Agreement under the 2030 Agenda set by the Sustainable Development Goals.

307. Cities are natural places for integrated solutions. Cities offer fertile ground to integrate operations of interdependent systems of water, energy, transport, health, education, and security services. Traditionally, these urban systems have been integrated with varying degrees of effectiveness through urban governance and land use planning. To advance integration of these human systems with natural systems there are strong environmental, social, and economic cases to be made. For instance, the development and management of watershed, ecosystems, forests as well as urban and peri-urban agriculture as elements of green infrastructure in and around cities, offer compounding benefits for global climate change mitigation and local urban adaptation, resilience, diminishing air and water pollution.

308. However, global financing gap for urban infrastructure is between USD 4.5 and 5.4 trillion per year with a 40% premium for efficiency gains and up to 27% premium for resilience. These financing gap figures dwarf official development assistance. Cities need a combination of traditional solutions and radical new approaches to scale action.

Program Description

309. Recognizing the critical role of cities for sustainable development and risks of not acting now, the GEF joined forces with key entities to support cities' endeavors towards sustainable integrated urban planning. The GEF has introduced Sustainable Cities Integrated Approach Pilot (SC IAP) program for GEF-6. The SC-IAP has supported 28 urban jurisdictions across 11 recipient

countries through a USD 140 million combined grant, leveraging USD 2.4 billion in co-financing. Those cities are participating in and supported by a Global Platform for Sustainable Cities (GPSC), which serves as a knowledge platform where participating cities can tap the cutting edge knowledge and expertise in sustainable urban planning, and exchange ideas and share experiences. The larger Global Platform is led by the World Bank and joined by major global city-based networks advocating urban sustainability including, ICLEI and C40 and leading environmental think-tanks such as World Resources Institute (WRI). Through engagement with the GPSC, these technical partners and city-based networks provide knowledge sharing and technical expertise in support of participating cities, in partnership with Implementing Agencies, and National Governments.

310. The Sustainable Cities IAP program has played a major role in positioning GEF in the urban space, and further reinforced the need for GEF engagement with cities and urbanization both as drivers of global environment degradation and as key players in addressing Convention objectives. The program is directly supporting cities to pursue sustainable urban planning through integrated solutions in buildings, mobility and waste management. In addition to contributing more than 100 million tons of CO₂eq in GHG mitigation benefits, the integrated approach to urban sustainability planning will enable the cities to introduce innovations for improved management of municipal solid waste, and promote effective use green spaces for conservation of biodiversity and ecosystem services. The GEF-7 Sustainable Cities Impact Program will strengthen the framework necessary to support the overall planning and implementation of these global priorities by cities in recipient countries, establishing effective linkages between the global knowledge platform and city-level investments.

311. The Sustainable Cities Impact Program is built on the experience of GEF-6 SC-IAP. The main thrust of the program remains the same, namely, to support sustainable and integrated urban planning by enhancing policy and financing environments to promote innovations for improved urban infrastructure, and to revamp how cities operate at all levels and for all stakeholders. The IP will further support GPSC to catalog cutting-edge knowledge and promote cross-learning. The vision will benefit more cities in building urban sustainability through compact land-use planning, and resource-efficient management. Participating cities can not only benefit from the GPSC but also inform and enrich the platform with on-the-ground results. Further, cities not part of the investment program will be incentivized to join the global knowledge platform to learn and share.

312. Ensuring a strong and clear link between sustainable development plans and individual city projects is critical in this regard. Ideally city-level projects should stem from a well-developed sustainable urban development plan. If those do not exist, then countries to harness GEF financing through the program to fund the development or upgrading of a sustainable urban development plan, and child projects should come along with this process. This way it is clear how the child projects support the broader sustainable development agenda of the city. And hence this will be a key criterion for considering aspiring cities for the IP.

Objectives, Key Interventions, and Criteria for GEF Financing

313. The IP will further enhance the GEF support for cities to pursue sustainable urban planning thru spatially integrated solutions in energy, buildings, transport, urban food systems, management of municipal solid waste and wastewater, and utilization of green space and infrastructure. As a result, the IP will contribute multiple global environmental benefits through decarbonization, improving biodiversity conservation, reducing land degradation, and elimination of hazardous chemicals. Increased results are expected through two interlinked components: a) promoting innovative business models for integrated solutions and investments at city-level, and b) strengthening the global platform for knowledge exchange and learning by cities on urban sustainability planning and investments. As the city-level investments lead to multiple global environmental benefits, the platform will enhance the potential for amplifying the benefits across many more cities in recipient countries.

a) Advancing Innovative Models for Integrated Solutions and Investments at City-level

314. Building on programming achievements through the Sustainable Cities IAP program, the GEF-7 impact program will continue to support countries with clear aspirations for mainstreaming sustainable and integrated urban planning for their major cities. The GEF aims to step up its support for cities to link urban planning process with concrete actions and investments that generate environmental and development benefits. The objective in GEF-7 is to bring stronger coherence of interventions across an expanding network of participating cities through enhancement of the global knowledge platform and engagement by key networks and providers of technical assistance and knowledge. Cities can implement high-impact solutions by rapidly decarbonizing urbanization on one hand and deepening resilience on the other hand. Key to this IP will be to ensure that cities move away from single-sector uncoordinated investments into more integrated multi-sector coordinated urban planning and investments. For example, GEF's grants should encourage and enable cities to expand the traditional use of land use, zoning, and building codes and construction standards for property value enhancement and tax collection, land pooling for town planning schemes and vacant land utilization while leveraging innovative non-traditional and lesser tapped resources such as land value capture, development exaction fees, own source revenue mobilization for local governments, strengthening sub-national government creditworthiness, and private sector technical and management collaboration. The GEF financing to countries will therefore be primarily driven by the following criteria:

- *Willingness of national governments to support strong, direct engagement by local governments in developing, shaping and participating in the program.* Successful outcomes for the IP will depend on strong ownership by local municipal leaders and governments, which also requires buy-in from the national government;
- *Willingness to embrace integrated urban planning and go beyond sectoral focuses.* Integrated urban planning aims to integrate urban form with urban flows by coordinating spatial development and the planning of infrastructure systems;

- *Commitment to prepare an Urban Sustainability Vision and commitment to act on sustainable and integrated urban planning, including the commitment to:* (i) develop an integrated plan; (ii) establish, monitor, and report on a harmonized set of performance indicators (urban sustainability metrics); and (iii) define local and national policies on urbanization linked to relevant national, metropolitan and local planning processes and strategies (such as national development plans, NDCs, urbanization reviews, etc.) Many cities may already have achieved these items, and others would need to commit – together with the national government – to their achievement during GEF grant implementation period;
- *Commitment to mobilize finance* by utilizing the GEF grant to achieve a large leverage ratio. Countries are expected to program the IP incentives with their STAR allocation at a ratio of 1:2, and generate significant co-financing from various sources. The co-financing may come from international financial institutions and donors, as well private sector, philanthropies or social enterprises;
- *Commitment to improve sustainability of municipal financing over time and demonstrate credible financing plans for proposed activities and concrete catalytic investment opportunities.* During GEF project implementation, a specific set of activities to improve finances of participating cities (which will require support from national governments) over time;
- *Willingness to actively engage with the global knowledge sharing platform through a network-based approach during grant preparation and implementation.* During grant document preparation, the GPSC with technical partners will help to identify good practices related to the city's sustainable development challenge, identify key cities to learn from, and engage in knowledge exchanges to bring these lessons to the project design. During project implementation, cities should commit to participate in knowledge management, cross-learning, and sharing of lessons learned with the participating cities across the world. It is expected that cities will actively participate in knowledge exchange through sub-groups of cities with similar development challenges (e.g., cities in FCV environments, cities working on biodiversity and urban development, etc.);
- *Demonstrated political commitment to maximize impact and replication potential within country.* This would require a specific endorsement by national and participating local governments. Under ideal circumstances, the national and local governments would describe how the lessons from implementation of the GEF-funded activities would be disseminated at the national level through associations of municipalities or other networks (such as the examples from Brazil, China, India and South Africa during GEF-6);
- *Geographical distribution and urbanization status.* Rationale for city selection in terms of size/tier (mega versus secondary, now or 2050) and geographical distribution. For mega cities, articulation of intervention focus (such as themes/sectors, geographical areas); and

- *Local and national governments clearly identify urbanization as a policy priority.* Articulation of urbanization challenges in relevant national sustainable development strategies and policies, including through national urbanization reviews, sustainability action plans and follow-up priority investments. For example, city to metropolitan region scale-up by supporting within-city projects to integrate metropolitan or city-region approaches.

315. These criteria will serve as basis for the GEF to identify and assess opportunities for impactful and transformative investments by recipient countries under the IP. In order to ensure an objective approach to identifying and assessing interests by aspiring cities, GEF will engage directly with countries through a consultative process. This engagement will also enable countries to determine potential entry points and priorities for maximizing global environmental benefits through the integrated approach to development of their cities. Recipient countries will be given ample opportunity and time to express their interests. An expression of commitment that contains the key elements outlined above by the mayor or the top leadership of the interested cities supported by the national government is a pre-condition for the selection of countries into the IP.

316. To maximize potential for global environmental benefits, countries through their integrated and holistic urban development plans for specific cities, can design individual projects to program GEF resources for interventions in the following categories: a) Evidence-based Spatial Planning—National, Regional, Local, b) Decarbonizing Urbanization with Infrastructure Integration at National, Regional, and Local Scales, c) Building Deep Resilience with smart systems and slum solutions, and d) Cascade Financing Solutions for Urban Sustainability.

Evidence-based Spatial Planning—National, Regional, Local

317. This category will include:

- *Enhancing spatial planning* - Geospatial tools such as satellite maps and data layers of geographic information systems can be used in the urban context for a wide range of purposes, including mapping underground utilities, tunnels and other urban infrastructure to identify issues, improve efficiency and design retrofit, identifying infill areas such as abandoned land or buildings that are suitable for redevelopment and planning for their reallocation, mapping natural resources such as prime agricultural land and unique or endangered habitats, and mapping areas at risk of earthquakes, floods, landslides and other disaster risks and adjusting development plans accordingly; and
- *Investing in digital and data leadership* - Efficient urban services delivery requires a capable municipal government that can implement policies and spend public resources effectively. It also requires an empowered citizenry able to hold city leaders to account. This can be strengthened through streamlining processes to reduce discretion and opportunities for rent-seeking, ensuring that public resources are collected and spent efficiently and in an environmentally-friendly manner, without leakage; improving municipal service provider management through better monitoring; and receiving

feedback from service users to track satisfaction, identify problems, and improve service quality real time.

Decarbonizing Urbanization with Infrastructure Integration at National, Regional, and Local Scales

318. This category will include:

- *Coordinating inter-city infrastructure* - Inter-city infrastructure ranges from intercity rail systems to open space planning, integrated food processing, marketing and distribution systems, sharing of waste disposal facility and water supply. Promoting seamless intercity connection can not only greatly reduce the carbon footprint of intercity transport, but also promote jurisdictional complementarities and generate spillover effects. Green and productive space planning (greenbelts and greenways) can be used as growth boundaries to help contain urban sprawl and to separate different land use functions such as industrial activity and residential uses;
- *Innovation in freight and transport* – Promoting innovative technologies in the transport sector, including infrastructure and vehicles. Energy savings and reduced climate emissions result from increased efficiency in both freight and passenger transport as well as a potential decrease in overall transport needs. This in turn leads to a saving in lives, time, money, and the environment; and
- *Building seamless urban connectivity* – Promoting the use of innovative (e.g. digital) technologies to improve urban mobility in various ways, including traffic management, multimodal trip planning and congestion pricing; ensuring safe movement for pedestrians and bicycles; and incentive programs that encourage non-motorized transport modes.

Building Deep Resilience with smart systems and slum solutions

319. This category will include:

- *Optimizing urban resources management* – Promoting the use of innovative (e.g. digital) technologies for various urban development needs, such as smart grids and demand management, monitoring resources consumption, integrating urban food systems and value chains, and reducing waste through a life cycle approach - waste audits, segregation of waste at source, better management, composting, recycling and reuse (e.g. through sharing economy). The use of hazardous materials should be avoided, as appropriate, and there should be a reduction and elimination, in the long-run, of POPs such as PCBs, BFRs and UPOPs;
- *Accelerating building and district energy efficiency* – Promoting solutions for urban planners seeking to advance sustainability through application of technology and financing to foster energy efficient and resilient buildings and district heating/cooling systems which offer lower operating costs and long-term environmental benefits;

- *Streamlining municipal services for sustainability* - Streamlining services and process. One-stop computerized service centers can provide citizens with access to a wide range of public services from different departments at one location. This kind of service centers not only save time, speed delivery and expand options, but also reduce corruption opportunities;
- *Tracking of resource use and consumption* – The generation of hazardous waste and the increasing amounts of domestic waste contaminated with hazardous waste due to lack of proper regulatory and legal frameworks in place remain a major challenge for cities. Cities should work towards actions to reduce waste and to minimize natural resource extraction by employing circular economy approaches, which promote reducing, redesigning, reusing, repairing, and recycling. At the same time, they should work on reducing and eventually eliminating POPs, such as PCBs and brominated flame retardants, for example; and
- *Non-stop slum solution*—Developing ex-ante and ex-post solutions to scale up slum improvement and prevent expansion through a solutions portfolio—combining supply and demand side solutions such as site and services, slum upgrading, housing finance, subsidized mortgages, construction standardization, redesigned building codes, land tenure requirements, land markets; last mile extension of basic and resilient infrastructure service delivery all while avoiding mal-adaptations to climate change—such as slum upgrading in the flood plains and the like.

Cascade Financing Solutions for Urban Sustainability

320. This category will include:

- *Cities need to enhance fiscal capacities* in three domains for accessing capital under fiscal austerity. First, to negotiate and utilize intergovernmental fiscal transfers. Second, improve municipal financial management including managing and expanding own revenue collection and expenditure. Third, establish and enhance creditworthiness for accessing private capital markets. Cities also need to build capacity to develop bankable projects and investment opportunities while ensuring effective and efficient project design and delivery; and
- *Experimenting with land value derivatives*. Cities may explore utilizing a range of conventional and contemporary instruments to derive and utilize value from urban land. These instruments may range from routine managing of land value creation through land use planning, zoning, and associated use and density distributions and its collection through property taxes to instruments such as land value capture, development exaction fees, or incentivizing vacant land utilization to incentivize urban sustainability.

b) Strengthening the Global Knowledge Platform to advance Urban Sustainability Planning and Investments

321. The Sustainable Cities IP will seek to push further the GEF engagement in urban transformation through the Global Platform for Sustainable Cities (GPSC). The GPSC provides a single-entry point for all cities seeking to advance urban sustainability, and serves as a global convening space for dialogue and a ‘clearing house mechanism’ on issues, resources and expert needs that will help position cities as major hubs for global environmental and development benefits, including opportunities for financial leverage to advance the sustainability and resilience agendas for cities.

322. By engaging the networks and technology providers, the GPSC will serve the needs of countries and cities, including the following:

- *Ensure Cities own and drive the GPSC agenda.* Cities are at the center of sustainable development, as has been recognized by, among others the New Urban Agenda and Goal 11 of the SDGs and the New Climate Economy initiative. Cities are also engines of national and global growth, accounting for around 80% of global economic output ⁷⁰. City administrations are often acutely influential, with sharp local powers to affect the form of the city and investments happening locally⁷¹. If Cities are central actors for local economic and sustainability efforts, they should also actively drive this global platform;
- *Make GPSC the platform of choice for all funders of sustainable cities.* As GPSC strategic planning exercises identify sustainable bankable projects, funding for the projects should not be restricted to GEF. The GPSC will help to pull resources from IFIs and the private sector to accelerate the implementation of sustainable projects;
- *Make GPSC focus on identifying, documenting and replicating solutions for sustainability.* The GPSC will focus on how to make cities more sustainable. As Cities are laboratories for innovation, the comparative advantage of GPSC should be in identifying, curating and documenting state of the art city-led initiatives, so that cities can learn from one another. The GPSC will aspire to be the umbrella organization centralizing the information about integrated strategic approaches for sustainability, providing technical advice to cities to have an impact on changes on the ground;
- *Make GPSC the global platform for peer to peer learning by cities.* The GPSC helps identify the different types of technical resources and solutions that “lead sustainable cities” can provide to other cities trying to follow a similar path;
- *Ensure GPSC becomes the center for innovation for monitoring progress by cities through geospatial data.* The last few years have seen striking advances in the geospatial information sphere related to some trends: 1) sharp rise in the amount of data available through smart phones, credit cards, social media, GPS devices, Google and other resources; 2) an increase in the accuracy of data; 3) increase sophistication in the methods

⁷⁰ Better Growth, Better Climate: The New Climate Economy Report. 2014.

⁷¹ C40 Cities and Arup, 2014. Climate Action in Megacities: C40 Cities Baseline and Opportunities.

used to analyze geospatial information, partly enabled by standardization of data and databases; 4) advances in hardware; 5) maturation of open-source software, to make data more accessible to a broader group of people⁷². All these advances create a huge opportunity to start thinking about data for urban sustainability in a new way. Hence, the GPSC will shift its focus to practical use of geospatial data; and

- *Make GPSC agile for implementation, focused and helping to identify city priorities.* The GPSC will be strengthened to become more flexible and dynamic in implementation, to have a more fluid and direct communication with the local governments, and to ensure there is a designated entity leading the integrated planning effort at the local level and centralizing the capacity building and training efforts.

323. The Sustainable Cities Impact Program will further strengthen the role of technical partners and city-based networks as an integral part of the GPSC, for knowledge sharing and high-level technical assistance to all cities participating in the program, and to facilitate their interaction with other cities that are emerging as models for advancing the urban sustainability agenda. These entities are well placed to harness their capacity to work on the ground, existing networks and local presence, and their strong technical capacity on the sustainable cities agenda. Working in conjunction with the World Bank as lead agency for the GPSC, the rest of the Implementing Agencies and the National Governments involved in city-level project implementation, technical partners will provide cities with the knowledge, tools and as feasible in response to demand, technical assistance in their effort to undertake a strategic approach to sustainability and integrated planning, and/or specific sectoral technical issues related to city-level project implementation. Utilizing a bottom-up approach and responding to demand and needs from the cities, the partners working through the global platform will provide participating cities with support by helping to:

- **Populate the GPSC web platform** with state of the art information on urban sustainability topics;
- **Document technical knowledge** produced by exchanges; and
- **Produce new tools and knowledge** to be part of the GPSC technical knowledge library. The topics for the new knowledge products can be selected based on demand from cities and implementing agencies, knowledge gaps, and GEF interest.

324. Through the global platform, the technical partners will also tap into their existing network and other technical resources to support countries in their needs that could include:

- **Prioritizing cities for integrated urban planning and investments.** The IP could support National Governments to prioritize their cities, and evaluate potential candidates for future investments based on sustainability efforts and commitments;

⁷² McKinsey & Company. 2014. Innovations in local government open data and information technology.

- **Sustainability Plan Assessment.** Understanding previous planning and sustainability efforts that cities have in place through a Needs Assessment, to capture existing analysis and gaps to avoid duplication of efforts. The needs assessment would also provide information required to tailor capacity development efforts to the needs of the cities;
- **Informing investment opportunities.** Supporting city-level projects to identify suitable investments by organizing peer-to-peer exchanges to study specific technical solutions and inform the investments; supporting cities and partners in the identification of investment projects that fit the broader sustainability context; and
- **Implementation.** Supporting implementation by providing technical support through capacity building in areas of interest for cities, through the City Academy, and other learning formats.

325. Through the GPSC, the IP will draw on strengths and comparative advantage of the technical partners to expand the network of cities and municipalities committed to applying the sustainable and integrated city planning approach. This will further enhance opportunities for cities to access the best available tools, knowledge and expertise for integrating sectoral priorities toward smart- and sustainable urban development. Under this vision, aspiring cities can access the following services and support:

- Access to sustainable urban development knowledge continuously accumulated by the GPSC on sustainable urban development – this would include tools, training materials, knowledge products, and lessons of implementation from cities that have implemented investment and policy programs under the auspices of the GPSC;
- Advice on the preparation of GEF city proposals, beginning with a strong focus on integrated sustainable city planning and management;
- Access to practical lessons of experience from cities already supported by the GPSC in the implementation of sustainable sectoral programs embedded in an integrated sustainable plan for the city;
- Identification of cities with relevant experience in the specific areas of interest of the proponent city, and initial exchanges for city-to-city advice in the preparation of the proponent city proposal to GEF funds (or other sources of financing linked to the GPSC);
- Access to global knowledge by various networks and institutions in areas related to urban sustainability and sectors of interest to the proponent city; and
- Invitation to periodic workshops and training sessions organized by the GPSC in the areas of interest of the proponent city.

Existing initiatives and Potential Partners

326. The GPSC has already engaged all the major International networks and technology providers, including C40, ICLEI, UCLG, Compact of Mayors, 100 Resilient Cities, UN-HABITAT, WRI, ESA, and others. In addition, the self-organized Resource Team is playing an important role under the GPSC to bring cutting-edge support, learning and knowledge sharing experiences to cities. This broad-based coalition now in place will attract additional partners, including private sector entities to help increase investment opportunities for cities and local governments aspiring for sustainability. The network partners will increasingly connect people who are tackling challenges and enable them to learn from others' experiences and adapt solutions to their own unique situations.

327. Building on models emerging from the GEF-6 IAP program, the IP will further strengthen opportunities for cities to harness the private sector in the following areas:

- *Knowledge partner for innovative tools and practices to support the sustainability planning process.* Leading entities such as Microsoft, ESRI, and CISCO have been mobilized as key partners of the GPSC, who are well placed to deliver the tools and capacity needed for cities to pursue integrated urban development. These tools are vital for supporting the integrated urban planning process, including indicators for monitoring;
- *Leveraging GEF investments for scaling-up innovations.* For example, seven Chinese cities participating in the GEF-6 IAP program are partnering with Mobike, the world's first dockless bike sharing company, to use their data for evidence-based urban planning, fill in public transit gaps, and facilitate intelligent transport dispatch. At the same time, data acquired from these seven cities also helps Mobike to improve its technology and service precision;
- *Technology providers* – There are a wide range of technologies available to support the development of smart and sustainable cities. For example, through the GEF-6 IAP program, participating cities in India will invest in waste-to-energy technologies that are now widely available for scaling-up; and
- *Incubator* – Cities offer various opportunities for business, finance, CSOs to come together to test new ideas and business models. Examples include Energy Efficiency Building and Lighting Initiatives and District Energy Systems Accelerator Initiative. These involve private sector, financial institutions and cities as regulator and planner.

328. The GEF also recognizes that development finance will ultimately not be sufficient to cover all the urban infrastructure needs in the cities over the coming decades. While helping cities to improve their management and to prepare bankable projects on urban sustainability, the GEF is well placed to assist cities to build an evidence-based plan for the future, improve their financial management capacity, and also identify concrete financing needs. The aim is for cities to achieve fiscal sustainability and full access to capital markets. Through harnessing the

investment by private sector, cities will be able to better implement the urban sustainability agenda.

329. The GPSC is also serving to convene GEF Agencies and a wide range of relevant technical partners that are well placed to support the delivery of quality projects with countries and potential co-financiers. This framework for coordination and collaboration at country-level will help to define the best niche for GEF funds to enable and scale up the work of others including stimulation of increased private sector engagement.

Contributions to Multilateral Environmental Agreements

330. Various Conventions are increasingly recognizing the role of cities both as drivers of environment degradation and as key players in addressing Convention objectives. Sustainable cities engagement is a promising first step that is directly contributing to the Multilateral Environmental Agreements for which GEF serves as financial mechanism—UNFCCC, CBD, UNCCD and Chemicals Conventions.

331. The United Nations Framework Convention on Climate Change (UNFCCC) Decision 1/CP.16 recognized the need to engage subnational and local governments and numerous decisions identified a role for these subnational stakeholders and governments such as Decision 1/CP.11, Decision 1/CP.16, and Decision 2/CP.17⁷³. In Decision 1/CP.19 from 2013, Parties agreed to facilitate the exchange of experiences and best practices between cities and subnational authorities in identifying and implementing opportunities to mitigate GHG emission and adapt to the adverse impacts of climate change. Furthermore, the role of subnational governments to engage in the UNFCCC process is being discussed within the framework of the “Friends of the Cities,” among interested parties and institutions.

332. The Convention on Biological Diversity (CBD) Decision IX/28 articulated the need to involve cities in biodiversity strategies and action plans. A number of cities have initiated Local Biodiversity Strategic Action Plans in partnership with national governments, based on Decision X/22. In 2012, the CBD launched the “Cities and Biodiversity Outlook.” The CBD also set up a Cities for Life Summit, in parallel to the official CBD-COP, and created the Global Partnership on Cities and Biodiversity.

333. The United Nations Convention to Combat Desertification (UNCCD) recognizes the rural-urban interface as a major priority for tackling land degradation. Through its multi-year work program, the convention identifies migration as one of the important variables and hence considers cities strongly interlinked with what the Convention aims to achieve, through their potential role and impact on migration.

334. Article 6 of the Stockholm Convention and article 11 of the Minamata Convention respectively address the management of waste that contains persistent organic pollutants (POPs) and mercury. Cities are central stakeholders in the management of these pollutants. Moreover,

⁷³ The decisions refer to dialogue on long-term cooperative action to address climate change (1/CP.11), in adaptation plans and strategies (1/CP.16), and in Nationally Appropriate Mitigation Actions (NAMAs) (2/CP.17).

cities are major users and producers of chemicals and waste, and have a key role in the management of a number of the new POPs relevant to cities. Additionally, SAICM risk reduction objectives also include reducing, “the generation of hazardous waste, both in quantity and toxicity, and to ensure the environmentally sound management of hazardous waste, including its storage, treatment and disposal.”⁷⁴ In addition to reducing mercury, POPs, and ODS in infrastructure, products and materials, the program will also contribute to reducing air emissions of relevant chemicals.

335. The GEF can help develop and implement efforts in a more coordinated manner to enhance effectiveness and address common drivers that the individual Conventions seek to address. The GEF interventions will incorporate issues on gender equity and women’s empowerment as promoted by all of the above Conventions. The results and lessons learned on generating global environmental benefits for individual Conventions will also be shared, to help inform Parties as they consider the role of cities and urbanization in the Convention context.

Comparative Advantage of the Global Environment Facility

336. This IP builds on the robust demand from countries to join in the Sustainable Cities IAP program initiated in GEF-6. The GEF has harnessed its convening power to help successfully launch GPSC, which now serves as a one stop shop for cities to access knowledge and technical expertise for advancing the sustainability agenda. The GEF’s role in this crowded urban space is to strengthen its mandate as financial mechanism for the MEAs by helping cities to generate global environmental benefits. With mayors and municipal leaders demonstrating increased commitment and aspirations for urban sustainability, the GEF is now well positioned to engage directly with them in exploring the relevant innovations needed to promote integrated planning and implementation. Rather than addressing the challenges of urbanization through disparate and isolated investments, GEF financing will enable cities to align and integrate priorities in a manner that will minimize tradeoffs in generating global environmental benefits while achieving the sustainability goals.

337. The ability of the GEF to mobilize financing to address concerns that cut across multiple sectors and focal areas is a unique advantage. Stakeholders, including national and urban leaders and institutions, are calling for stronger efforts by the GEF to address key drivers of environmental degradation in an integrated manner through city-focused action. In addition, the GEF, as a pioneer of innovation through grant financing, is well suited to support the testing and demonstration of models of integrated urban management, with a strong potential for impact per dollar invested. By ensuring that gender equality and women’s empowerment are considered in demonstrated models, the GEF can leverage its advantage to greater benefit. The GEF grant funding in and of itself serves as an incentive mechanism to support promising innovative activities, helping to lower the risk to clients and other investors.

⁷⁴ UNEP - WHO (2006) Overarching Policy Strategy para 14, Strategic Approach to International Chemicals Management http://www.saicm.org/index.php?option=com_content&view=article&id=73&Itemid=475

338. The GEF can play a key role partnering with relevant countries and cities as well as relevant GEF Agencies and bilateral institutions, building on the extensive experience in supporting urban area projects in various focal areas. The growing number of urban initiatives currently planned or implemented by GEF Agencies and bilateral institutions offers timely opportunities to catalyze action. The GEF will harness its partnerships to help establish an enabling environment for generating and channeling investments that contribute to global environmental benefits and associated resilience. The GEF will not directly invest in large scale infrastructure projects as this may be done through a multilateral development bank or bilateral loan packages as co-financing, or leveraged financing from countries or cities.

Global Environmental Benefits

339. In accordance with its mandate, GEF financing will contribute measurable global environmental benefits by: a) reducing greenhouse gas emissions (GHG); b) mainstreaming biodiversity conservation to harness ecosystem services and safeguard threatened wildlife species; c) integrating voluntary LDN targets; and d) improved chemicals and waste management. Because the IP will target specific geographies during implementation, there is greater potential for economies of scale in primarily achieving objectives of the Climate Change Mitigation and Chemicals and Waste focal areas, and secondarily the Biodiversity and Land Degradation focal areas

Table 7. Global Environmental Benefits

Focal Area	Objectives and Priorities to be addressed through the IP
Biodiversity	<ul style="list-style-type: none"> Integrating biodiversity and ecosystem values in urban planning – focus on integrating options and opportunities for safeguarding threatened wildlife species and habitats affected by urbanization
Climate Change Mitigation	<ul style="list-style-type: none"> Urban-related GHG emissions avoidance – integrating low-carbon technologies and practices needed in the urban sector, including energy efficiency (buildings, lighting, air conditioning, transport, district heating systems), renewable energy development (solar, wind, co-generation, waste-to-energy), and solid waste and wastewater management
Land Degradation	<ul style="list-style-type: none"> Sustainable land management in the rural-urban interface Restoration of degraded production landscapes in the rural-urban interface
International Waters	<ul style="list-style-type: none"> Decreased pollution of rivers, deltas and coastal areas associated with urbanization Advance efficient water use and re-use in cities and metropolitan areas
Chemicals and Waste	<ul style="list-style-type: none"> Reduction of POPs, ODS, and Mercury in built infrastructure, industry and products and materials used in cities – integrating the management and disposal of electronic and industrial waste with heavy metals and solvents, pesticide application for public health and vector control, and urban run-off

340. Outcomes and GEBs for the impact program will be in line with the MEAs, as follows:

- Mitigation of GHG emissions through energy efficiency;
- Removal or disposal of hazardous chemicals, especially Mercury;
- Conservation of threatened wildlife species and habitats; and
- Contributing to Land Degradation Neutrality

Sustainable Forest Management Impact Program

Global Context

341. Forests cover around 30% of the earth's land surface, just below 4 billion hectares⁷⁵. Rapid development and competing land uses, particularly for farming and grazing lands, commercial plantations, and infrastructure expansion, have cut wide swaths through the world's forests. These threats place remaining natural forest areas and their globally important biodiversity under heavy pressure. As human populations continue to increase, competition for land only will further intensify. Over the past 25 years, the extent of the world's forests has declined by about 3%, but encouragingly, the rate of net forest loss has been cut by over 50% over this same timeframe⁷⁶. Advances made in slowing forest decline have been achieved through a range of measures, and important among these are the forest protection, management and restoration approaches that are at the core of sustainable forest management (SFM).

342. The GEF has a significant track record in investing in sustainable forest management. Over the past 3 years covering GEF-6 alone, GEF has funded 51 projects totaling over USD 766 million. The Global Environmental benefits have been significant in terms of GHG emissions avoided (434 tCO₂e) and over 160 million ha of land under sustained management. Despite these impressive outcomes, SFM investments have been isolated to certain small forest lands across all of GEF's eligible countries with no sustained vision nor potential for ecosystem or biome level outcomes. Fragmented and isolated investments while good for small area of forest, fall short of maintaining the integrity of entire biomes where there is that potential.

343. Furthermore, many governments, also face an array of economic, ecological, and political challenges in achieving SFM, and deforestation and degradation of many global forests continues at an alarming rate. This forest loss threatens vital environment services, such as the maintenance of biodiversity, climate stability, integrity of land, and delivery of fresh water. The degradation of forests and their associated environmental services also undermines the livelihood of an estimated 1.6 billion forest-dependent people, with consequences for migration and security.

344. There are few places in the world where intact forest biomes still exist and allow for a more converted and comprehensive approach to sustainable forest management. The Amazon, the Congo Basin, and some important Dryland landscapes around the world represent the last geographies where a different approach to long-term development can be tested. These biomes are globally important for biodiversity and carbon storage, provide livelihoods and subsistence to communities that rely on forests and agriculture for their survival and as such qualify as "key ecosystems" where a concerted SFM approach can have value. In these globally important ecosystems, there is an opportunity to change the future development trajectory from natural resource depletion and biodiversity erosion, to one based on natural capital management and productive landscapes. The latest science also indicates that these globally important ecosystems

⁷⁵ Global Forest resources Assessment 2015, FAO: <http://www.fao.org/3/a-i4793e.pdf>

⁷⁶ Ibid

require integrated ecosystem-scale management for maintaining their “ecological integrity and functioning” and delivering Global Environmental Benefits. Because of the scale of these biomes, a comprehensive and large-scale set of investment is needed as fragmented and isolated projects will not be sufficient in these large ecosystems to maintain the integrity of these unique and globally important area.

345. In GEF-6, an Amazon Landscapes Program (ASL) that for the first time brought 3 of the most important Amazonian Basin countries together was launched, to coordinate on important aspects of Ecosystem-wide management and development trajectories. The ASL program has focused on designing and implementing collaborative approaches to productive and conservation land uses that will provide for livelihoods while preserving the ecological integrity and global environmental value of this ecosystem. These approaches have the potential to be truly transformative by linking social and economic development directly to the integrity and functioning of the Amazon biomes. Success in this program will be measured by ensuring that the integrity of these key ecosystems, and the services they provide, is at the center of a sustainable development model that provides for people and production.

346. The time is now ripe for the SFM program to evolve into an Impact Program with a clear geographical focus to better harness time-bound opportunities for impact on critical forest biomes and systems. The 3 selected regions are the major ecosystems and perhaps the last places where an integrated and concerted SFM approach can truly transform the course of development and produce multiple benefits for biodiversity, climate change, and land degradation.

Program Description

347. SFM is defined in line with UNGA (2008) as a “dynamic and evolving concept, which aims to maintain and enhance the economic, social and environmental values of all types of forests, for the benefit of present and future generations”. GEF’s approach will thus encompass broad landscapes where forests and trees outside forests are important elements to be managed for conservation, production or multiple purposes, to provide a range of forest ecosystem goods and services at the local, national, regional and global levels.

348. The SFM IP will focus on these 3 key biomes and address challenges associated with sustainably managing and protecting forests and drylands. The novelty of this Impact Program resides in the fact that GEF will be aiming at maintaining the ecological integrity of entire biomes by concentrating efforts, focus, and investments, as well as ensuring strong regional cross-border coordination. Past SFM investments were often isolated and mainly focused on integrating SFM principles in land management projects at the project scale only. The SFM IP will address the drivers of forest loss and degradation through strategies aimed at creating a better enabling environment for forest governance; supporting rational land use planning across mixed-use landscapes; strengthening the management and financing of protected areas; clarifying land tenure and other relevant policies; supporting the management of commercial and subsistence agriculture lands to reduce pressure on adjoining forests; and utilizing financial mechanisms and incentives for sustainable forest management.

349. The SFM IP will complement existing conservation and REDD+ initiatives for synergy. In both the Amazon and the Congo basins, REDD+ initiatives are on-going or under preparation to reduce greenhouse gas emissions from deforestation and forest degradation. In the Congo for example, this baseline initiative focuses on the reinforcement of institutional and decentralized capacities to integrate REDD+ in land-use planning processes, zoning, and promote SFM and agroforestry systems to reduce land-use emissions. The GEF SFM IP will build on these opportunities, looking for synergy, and avoid duplication, with a special focus on landscape scale sustainable forest management and biodiversity conservation, and focus extra attention on working with forest dependent communities in the management of their own forest resources. The same principles will be applicable for drylands forests with a focus on livelihoods. If sustainably managed, success in these areas can serve as models for addressing the nexus between generating global environment benefits, poverty alleviation, and improved economic development. As evidenced by the country leadership in the Amazon Sustainable Landscapes Program in GEF-6, through initial discussions with the President of Gabon, and a declaration of support from 6 Congo basin countries, this IP benefits from strong country support from key recipient countries.

350. The SFM IP will support multi-country collaboration on management challenges that cross borders and that countries identify as priorities during the design process.

351. The SFM IP will promote the inclusion of women and their role in the sustainable management of forests and trees and build capacity of communities to capitalize on the complementary role of women and men in the diverse activities needed for advancing the objectives of forest management, biodiversity conservation, and watershed protection in a local setting.

352. All the three targeted systems have benefited from significant investments in previous GEF cycles creating a baseline to scale up impact: Amazon Sustainable Landscape Program and a long history of GEF investments in the Amazon basin since the start of the GEF, Strategic Congo Basin Program, and the Sahel and West Africa Program to Support the Great Green Wall Initiative. The SFM IP can therefore further advance previous gains by responding to country priorities to protect, restore, and sustainably manage their forests and drylands so that they provide a wide range of ecosystem services, support local livelihoods, strengthen climate change resilience. GEF's implementing experience in the Amazon, Congo Basin, and elsewhere shows that coordinated programs foster collaboration, strengthen knowledge exchange, and extend the impact of the scope of the work.

Amazon Sustainable Landscapes

353. South America is home to several sensitive biomes, most notably the Amazon, where balancing economic development with conservation remains an on-going challenge. The Amazon Biome is defined as the area covered predominantly by dense moist tropical forest, with less extensive areas of savannas, floodplain forests, grasslands, swamps, bamboos and palm forests. The Biome encompasses 6.70 million km² and is shared by eight countries (Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela), as well as the overseas territory of

French Guiana (WWF, 2009). The majority of the Amazon forest is contained within Brazil (60%), Peru (13%) and Colombia (10%). The Amazon includes 610 protected areas, as well as 2,344 indigenous territories that cover 45% of the basin. More than 40% of the rainforest remaining on Earth is found in the Amazon and it is home to at least 10% of the world's known species, including endemic and endangered flora and fauna. The Amazon River is the largest river basin in the world and accounts for 15-16% of the world's total river discharge into the oceans. The Amazon River flows for more than 6,600 km and with its hundreds of tributaries and streams contains the largest number of freshwater fish species in the world. The Amazon forest and river ecosystem is one of the largest natural areas that still has the potential to remain sustainably conserved and managed.

354. The Amazon plays a critical role in climate regulation regionally and globally. The Amazon forests helps regulate temperature and humidity, and is linked to regional climate patterns through hydrological cycles that depend on the forests. Given the large amount of carbon stored in the forests of the Amazon, there is considerable potential to influence global climate if not properly protected or managed. The Amazon contains 90-140 billion metric tons of carbon, the release of even a portion of which could accelerate global warming significantly. Land conversion and deforestation in the Amazon release up to 0.5 billion metric tons of carbon per year, not including emissions from forest fires, thus rendering the Amazon an important factor in regulating global climate⁷⁷.

Drivers of environmental degradation

355. There are several interrelated factors constituting the drivers and root causes of the deforestation and degradation of the Amazon Biome. These are related to export markets (e.g. international demand for agricultural and forest goods, minerals and energy), transport infrastructure development, social inequality and poverty. All these are linked to the context of each country in the Amazon and in some cases to shortcomings of the policy frameworks to support sustainable development in various sectors and value ecosystem services, weak governance of some institutions and governmental entities to establish and enforce legislation for nature conservation and other sustainable development policies, and lack of appropriate land use planning. These threats can be found in varying degrees in individual countries conforming the Amazon, and could be exacerbated by the lack of regional coherence in laws and policies among the Amazonian countries.

356. Given current environmental and development trends, the opportunity to make a lasting impact at the basin scale is likely to disappear in 10 to 20 years. Continued deforestation and interactions with climate change (including reduction of precipitation due to reduced evapotranspiration) is likely to speed up the rate of forest loss, and if current destructive trends continue, more than 50% of forests within the basin could be destroyed in the next two decades.

⁷⁷ Nepstad, D, C.M. Stickler, B. Soares-Filho, and F. Merry. 2008. Interactions among Amazon land use, forests and climate: prospects for a near-term forest tipping point. *Phil. Trans. Roy. Soc. B.* doi:10.1098/rstb.2007.0036

In addition, deforestation will destroy habitat for migratory fish and likely accentuate the damaging impacts of mercury used in gold mining on the environment and human health.

Objectives and Key Interventions

357. The objective of the Amazon Sustainable Landscapes (ASL) Program is to protect globally significant biodiversity and implement policies to foster sustainable land use and restoration of native vegetation cover. It will build on the components of the GEF-6 ASL Program and its associated objectives with the aim to expand its reach by including the other GEF-eligible countries that are part of the Amazon biome. The ASL program aims at generating scalable results in reducing deforestation and the loss and fragmentation of natural habitats as well as preventing the extinction of threatened species and improving their conservation status through five inter-related interventions:

- *Integrated Amazon Protected Areas*: This component will increase conservation and protection of biodiversity through the implementation of large scale initiatives influenced by the strategies and approaches of the successful Amazon Region Protected Areas Program in Brazil (ARPA). The ASL Program will catalyze protected areas creation, and improve management and sustainable financing at the protected area system-wide level;
- *Integrated Landscape Management*: This component aims to contribute to climate change resilience and enhance sustainable land use by improving forest and land management and reducing carbon emissions from deforestation in the respective project areas;
- *Freshwater Ecosystems Management*: This new component will focus on improving the management of freshwater ecosystems and aquatic resources which provide food security, transport, and water for local communities;
- *Policies for Protected and Productive Landscapes*: This component will incorporate biodiversity management principles (both conservation and sustainable use) into selected government sectors that are drivers of deforestation (i.e., agriculture, extractive industries and infrastructure) through sectoral agreements and/or instruments that engage private sector actors; and
- *Capacity Building and Regional Cooperation*: This component will be designed to complement the national projects and maximize the efficiency of the broader approach through shared capacity building and training initiatives. The component will support south-south learning through expert technical exchanges, foster intergovernmental cooperation around identified policy or technical thematic issues, and develop and implement program-wide training and communication strategies.

358. The key outcomes will be the following: a) increased area of globally significant forest ecosystems in new protected areas; improved protected area financial sustainability and management effectiveness; b) increased area of native forests managed sustainably; c) reduction

in the loss of native forests; d) increase in area of restored forest ecosystems; e) improved and coordinated management of freshwater ecosystems; and f) sector policies and regulations under implementation that are increasingly favorable for the reduction of deforestation through an integrated landscape- and sector-based approach that takes into account development needs of all groups of stakeholders and includes considerations of indigenous peoples, and gender.

359. In consultation with the countries, additional priorities may be included, such as the formalization or regulation of the artisanal and small-scale gold mining (ASGM) sector.

Existing initiatives and Potential Partners

360. The GEF-6 Amazon Sustainable Landscapes program was the first significant regional investment by GEF to manage terrestrial ecosystems in the Amazon biome that included the participation of multiple countries. The GEF-6 Program design will serve as a strong basis for the expansion of the program to other countries during GEF-7 drawing on the lessons learned thus far particularly with regards to the the implementation of a Coordination Grant to facilitate South-to-South learning and knowledge management at the regional level and the role and function of the Program Steering Committee.

361. In the GEF-6 ASL Program, the Coordination Grant helps the individual country projects achieve their objectives through enhanced regional coordination and capacity building by providing access to information and best practices and strengthening coordination, monitoring and communication amongst national project stakeholders. In this way the coordination grant contributes to the achievement of the Program goal of further consolidating the network of protected areas in the Amazon and increasing the land area destined to restoration and sustainable management. Similarly, the Program Steering Committee (PSC), chaired by the World Bank as lead agency and comprising one-program focal point from each country, the Global Environment Facility Secretariat, and relevant Implementing Agencies (UNDP & WWF-US), acts as an advisory mechanism to maximize synergies amongst the national level projects and contribute to successful implementation of the ASL Program. Both of these project mechanisms will be maintained going forward, although the elements and composition of each may change to reflect the design features of the GEF-7 ASL Program. For example, depending on enrollment by new participating countries and the GEF Agencies that may join, the PSC will be expanded accordingly and the Terms of Reference for the PSC adjusted as necessary.

362. The GEF-7 initiative will continue to communicate with donors (i.e., Norway, UK and others), bilateral-aid agencies (i.e., USAID, GIZ, and others), and private foundations (i.e., Gordon and Betty Moore Foundation, MacArthur Foundation, and Blue Moon Fund) investing in the Amazon biome to maximize collaboration and coordination during project design and implementation.

Private Sector engagement

363. Sectoral agreements and/or instruments that engage private sector actors will be voluntary and will cover specific actions and commitments of the different parties. Each activity

to be identified in the agreements will follow three steps: (a) consolidation of existing information (assessment of obstacles and alternative solutions); (b) consensus building with stakeholders (analysis of constraints and solutions); and (c) development of solutions (methods and procedures). Thus, government agencies will dedicate attention and resources to the identification and implementation of mainstreaming opportunities that enjoy the support of relevant stakeholders. It will also pursue strategies for incorporating the objective of biodiversity conservation and sustainable land use into policies, programs, projects, and development plans at different levels of government activity. These mainstreaming practices will be tested on the ground through applied land management activities adopted in concrete cases that have environmental implications for connectivity and conservation in the Program area (eg.: oil/gas exploration and exploitation activities, construction of roads, etc.). If successful, these practices will contribute to scale up the mainstreaming of environmental policies from the bottom, which could be translated at the top into the promotion of incentives, access to credit and similar measures for the segment of producers involved.

364. The Private Sector has a significant role to play to improve the sustainability of many sectors operating in the Amazon and with the potential to reduce deforestation. Promising progress is being made with large companies that produce or trade global commodities like soy and beef. But SMEs generally face more costly barriers to improve production practices and achieving scale in the commercialization of their products. This Impact Program could partner with emerging platforms that are aiming to set reimbursable investment funds for small and medium rural producers businesses operating in the Amazon. National state and commercial banks are willing to partner in joint pilot initiatives that pursue differentiated financial arrangements for public credit lines directed at small farmers and suppliers. If successful, through aggregation these investments can lead to more sustainable and productive business and supply chains, thereby contributing to reducing deforestation and GHG emissions, as well as to the longer term viability of local businesses.

Congo Basin Sustainable Landscapes

365. Central Africa contains more than 2.87 million km² of forest ecosystems, comprised of both humid and dry forests. The region's 2.27 million km² of remaining closed canopy tropical forest represents one fifth of the what remains in the world for this highly valuable forest type, and, after the Amazon, is the earth's second largest area of contiguous moist tropical forest. Central Africa's Congo basin is defined by the watershed of the Congo river and primarily covers Cameroon, Central Africa Republic, the Democratic republic of Congo, Equatorial Guinea, Gabon, and the Republic of Congo.

366. The forest habitats provided by the Congo Basin are the largest on the entire African continent and are home to an extraordinary diversity of life. Endemic and emblematic species include, Great Apes (chimps, bonobos, gorillas) and the forest elephants, among others. Congo Basin forests provide vital regional and global ecological services as carbon sinks, basin catchments, and regulators of climate. There are on-going researches to better understand the importance of Central Africa forests both in regional rainfall patterns and their influence on large-

scale atmospheric circulation ⁷⁸. It is however established that the Congo Basin represents a carbon reserve of global significance for regulating greenhouse gas emissions. The recent identification of one of the most carbon-rich ecosystems on Earth – a peatland area, greater in size than England, sequestering alone some 30 billion metric tons of carbon, or nearly 30% of the world's tropical peatland carbon reinforces the values of these tropical forests as a global common asset^{79,80,81}.

367. These forests ecosystems provide also livelihoods and services to 60 million people who live in or near the forests, and fulfill social and cultural functions essential to local indigenous populations. Agriculture is mainly small-scaled and combines various annual and perennial crops (cassava, maize, groundnut, banana, vegetables, and tuber), alternating with short or long-term fallows depending on local land availability.

Drivers of environmental degradation

368. The causes and drivers of deforestation and environmental degradation, including defaunation, are complex, interlinked, and aggravated by demographic trends, accelerated urbanization, insecurity of land tenure, and resource user rights. The general context of the Congo Basin is also particularly difficult with violence, fragility, insecurity, and various related traffics severely weakening the rule of law, and having devastating effects on capacities to manage forests, protected areas, and protect wildlife. However, small-scale agriculture (subsistence) and harvesting of fuelwood are considered among the main drivers of deforestation and forest degradation in the Congo Basin⁸². The direct causes of declines to emblematic species (primates, elephants) are strongly linked to poaching and other changes in land use, most notably clearing of forests for farming and infrastructure development⁸³. Challenges associated with extreme poverty and tensions between local people and protected area management strategies add to the complexity.

369. Other drivers exist and may become more important in the future. Countries affected by the development of commodities, agribusiness, and/or the need for forest restoration will be invited to join the Food Systems-Land Use and Restoration Initiative. Issues related to artisanal gold mining will be considered under CW (three countries so far are Parties to the Minamata Convention). A support from IW will be discussed at the transboundary Congo river basin scale.

⁷⁸ Todd M.C. & Washington R., 2004. Climate variability in Central Equatorial Africa: influence from the Atlantic sector. *Geophysical Research Letters* 31: L23202.

⁷⁹ Gibson L., et al. 2011 (corrigendum 2014). Primary forests are irreplaceable for sustaining tropical biodiversity, *Nature*, Volume: 478 Pages:: 378–381

⁸⁰ The Forests of the Congo Basin – Forests and Climate Change, 2015. Eds. De Wasseige C, Tadoum M., Eba's Atyi R. & Doumenge C., 2015. Weyrich. Belgium. 128p

⁸¹ Dargie, G. C., Lewis, S. L., Lawson, I. T., Mitchard, E. T., Page, S. E., Bocko, Y. E., & Ifo, S. A. (2017). Age, extent and carbon storage of the central Congo Basin peatland complex. *Nature*. doi:10.1038/nature21048

⁸² The Forests of the Congo Basin – Forests and Climate Change, 2015. Op. cit.

⁸³ http://ec.europa.eu/environment/cites/pdf/WAP_EN_WEB.PDF

Objectives and Key Interventions

370. The Congo Basin Sustainable Landscapes program (CBSL) builds on GEF's 25 year-experience in biodiversity conservation and sustainable forest management. Under GEF-6, most of the investments in the region have been made along two strategic programmatic approaches: the Global Wildlife Partnership to tackle wildlife conservation, poaching, and trafficking and The Restoration Initiative to support the Bonn Challenge.

371. The CBSL's Theory of Change is based on the pathway to produce preserved and sustainable managed landscapes for global environment benefits and people. The CBSL will integrate upfront several GEF policies, principles, and decisions to emphasize the importance of livelihoods and well-being of forest dependent communities (stakeholder engagement, gender equality, Indigenous Peoples, and Civil Society engagement).

372. The main objective of the CBSL will be to incorporate environmental management principles in forest management through landscape approaches at different levels (local, national, and transboundary). The notions of connectivity, corridors, and their governance will be considered in a inclusive way with local communities. Innovative mechanisms and partnerships will be developed to improve law enforcement against illegal logging and poaching of global important biodiversity.

373. Contrarily to other forested basins, a political and technical process already exists in the Congo Basin between Heads of States, Ministries, partners, and various stakeholders⁸⁴. There will be no much need to finance coordination of agencies per se under the CBSL program, but it will be essential to support and dynamize some of the existing networks to foster cooperation, maximize synergies in the different countries, and avoid overlaps. The regional level will also be operational to deliver actions in additional landscapes, corridors, and countries to address key threats to endangered species, globally important forest habitats, and forest dependent peoples.

374. A programmatic approach is justified by the importance of supra-national issues as the transboundary and regional levels and that cannot be tackled at the project level (e.g. carbon leakage effect, illegal timber exploitation, wildlife poaching and trafficking). For instance, specific landscape level mechanisms will be proposed for conflict resolution between different land users and across national boundaries. Other mechanisms will address important cross-cutting issues, such as gender inequalities in the implementation of SFM. The CBSL program will focus on a few number of transboundary landscapes in the heart of the Congo Basin. Selection of landscapes will be prioritized based on their potential for transformation and multiple benefits, and where the GEF can make a difference. The following criteria will be considered: 1) high carbon storage values, 2) presence of globally endangered species, 3) presence of forest dependent people in the surrounding forest patches, and 4) significant baseline investments on conservation, SFM and/or REDD+ as a starting point.

, COMIFAC: Central Africa Forests Commission, <https://www.comifac.org/>, CBFP: Congo Basin Forests Partnership, <http://pfbcbfp.org/home.html>

Existing initiatives and Potential Partners

375. Many initiatives are on-going in the region that provide a strong baseline of partnerships and lessons on which to build: REDD+ program with FCPF and the carbon funds; the Forest Investment Program (FIP) and the associated IDA investments in DRC and republic of Congo; the Central African Regional Program for the Environment, CARPE, supported by USAID; the Program for Conservation and Rational Utilization of Forest Ecosystems in Central Africa, ECOFAC, funded by the European Commission since 1992; several long-term bilateral and NGO programs; recently Central Africa Initiative (CAFI) launched a USD 200 million initiative for REDD+ in the Congo Basin. Moreover, most of the countries, as well as the COMIFAC⁸⁵, are on the way to developing submissions to the Green Climate Fund. The GEF can play a strategic and catalytic role to compliment these investments, based on its comparative advantage. To develop complementarity and avoid duplication, a dialogue with countries, agencies and partners will take place. Collaboration mechanisms will be proposed within the program and project cycle, notably related to knowledge management and monitoring.

Private Sector Engagement

376. The role of the private sector will be addressed under different entry points in the program to promote innovative and sustainable financing mechanisms for conservation, development, peace-building, and benefits for local communities. Existing Public-Private Partnerships for biodiversity conservation will be one option. Another option will be the support of responsible and sustainable value chains from the local communities to the markets in the considered landscapes (Non-Timber Forest Products, improvement of agroforestry practices, climate smart agriculture promotion of best practices, access to markets, certification, etc.).

Dryland Sustainable Landscapes

377. Drylands are a vital part of the earth's human and physical environments, encompassing grasslands, agricultural lands, and forests. They cover approximately 40% of the world's land area and support two billion people, 90% of whom live in developing countries where women and children are highly vulnerable to the impacts of land degradation and drought. They harbour important global biodiversity, many of which is endemic, and store significant amounts of carbon. Drylands also provide much of the world's grain and livestock, many tree products and vegetable species as well as globally important agro-biodiversity. A recent paper in *Science*⁸⁶ comments on the important link between forests and drylands, arguing that the extent of forest has been grossly underestimated: "Forests in drylands are much more extensive than previously reported and cover a total area similar to that of tropical rainforests or boreal forests. This increases estimates of global forest cover by at least 9%, a finding that will be important in estimating the terrestrial carbon sink." While dryland landscapes are not as geographically distinct as the

⁸⁵ COMIFAC: Central Africa Forests Commission, <https://www.comifac.org/>

⁸⁶ Jean-François Bastin et al. (2017). The extent of forest in dryland biomes. *Science*. Vol. 356, Issue 6338, pp. 635-638. doi: 10.1126/science.aam6527

Amazon or the Congo Basin, they do represent a globally important biome and an important element of the global ecosystem.

378. Selection criteria as outlined below will allow that important forest and shrubland biomes could be covered (e.g. Miombo, Mopane and Fynbos woodlands, Savanna tropical grasslands and open woodlands, Dry Central Andes grassland and shrublands, Cerrado, Caatinga, and Mato Grosso seasonal forests; Central Asian rangelands and steppe forests) although the program will address such biomes through a landscape approach aiming for potential multiple GEBs.

Drivers of degradation

379. Land degradation in drylands threatens livelihoods, food, water and energy security, and increases the vulnerability of millions of people, and in many cases serving as a cause of migration or social unrest. Population growth in areas where these systems are found is resulting in an increased need for agricultural production that often leads to a depletion of biodiversity (including the genetic bases for crops, livestock, and trees), reduction in vegetation cover, and loss of associated ecosystem services (erosion control, climate balance, pollination, etc.). In addition, pressures from natural factors related to climate variability and extreme weather events, such as forest fires and frequent and prolonged droughts, lead to stark variations in year-to-year yields and income from agriculture. This threatens the resilience of agroecosystems, the stability of food production, and the conservation of forests environmental and socio-economic services.

Objectives and Key Interventions

380. The main goal of the Dryland Sustainable Landscapes program is to avoid, reduce, and reverse further degradation, desertification, and deforestation of land and ecosystems in drylands through the sustainable management of production landscapes, addressing the complex nexus of local livelihoods, land degradation, climate change, and environmental security.

381. The Dryland Sustainable Landscapes program will apply UNCCD's LDN tool to advance sustainable land and forest management aiming at avoiding further land degradation and desertification and improving the quality and maintenance of ecosystem services. This will be done by tackling the root causes of land degradation, promoting the sustainable management of production landscapes in drylands, and addressing the complex nexus of local livelihoods, land degradation, climate change, biodiversity and environmental security.

382. The program will generate multiple environmental benefits and enhance local livelihoods. A landscape approach will help to tailor implementation packages to a wide range of dryland landscapes contexts. Drylands encompass critical landscapes for potential GEBs, especially through (i) building resilience to climate change in environments particularly vulnerable to anticipated impacts of climate change, (ii) sequestering carbon, managing watersheds (leading, inter alia to reduced sediment yields and conserving scarce water resources), and protecting rare and endangered biodiversity.

383. The three main objectives of the program are: 1) integrated landscape management with particular focus on sustainable forest management and restoration, rangelands, and livestock production; 2) the promotion of diversified agro-ecological food production systems in drylands; and 3) the creation of an enabling environment to support the two objectives above. Under the second objective, the initiative will expand the scope to agricultural production areas within forest and shrub lands. Priority will be given to measures of sustainable land and soil management to benefit smallholders and pastoralists. The GEF will also support the development of adequate policies and financial mechanisms that aim to address the drivers of dryland degradation and promote the diffusion of land use practices, land and forest conservation, restoration and sustainable management at a scale consistent with the magnitude of these drivers.

384. Outcomes of the Dryland Sustainable Landscapes will support participating countries to achieve Land Degradation Neutrality in regions which have a high percentage share of semi-arid and sub-humid drylands and ultimately achieve Sustainable Development Goals in those geographies, focusing in particular on countries that have set voluntary LDN targets that the Impact Program will help to implement. Target geographies will be selected based on several criteria, including:

- Defined LDN targets that can be met through SFM and SLM interventions;
- Area share of semi-arid and sub-humid drylands on total land area;
- Degree of dependence on dryland resources for local livelihoods and the potential of GEF investments to benefit smallholders and pastoralists;
- Importance of climate risks, resilience, and environmental security issues including drought, food insecurity, and migration; and
- Being part of geographies / landscapes that are important for delivering multiple ecosystem services, including threatened dryland ecosystems.

Existing initiatives and Potential Partners

385. The Consortium of International Agricultural Research Centers (CGIAR) has initiated a global research program⁸⁷, which provides a basis for collaboration with partners of this program, depending in how far the research program constitutes entry points for implementation at a programmatic level. In addition to the CGIAR initiative, there are regional or thematic initiatives that will be instrumental in supporting implementation, including : 1) The World Initiative for Sustainable Pastoralism (WISP) which is a global initiative that supports the empowerment of pastoralists to sustainably manage drylands resources, 2) TerrAfrica for the Sahel, the Horn of Africa, and Southern Africa; 3) The FAO Drylands & Forest and Landscape Restoration Monitoring Week; 4) The World Overview of Conservation Agriculture Techniques (WOCAT); and 5) Central

⁸⁷ <http://drylandsystems.cgiar.org/>

Asian Countries' Initiative for Land Management (CACILM). Furthermore, global and regional NGOs and CSO are very active in working on the ground in drylands and should be involved in sharing their experience and lessons, including through a coordination with the GEF SGP.

Private Sector Engagement

386. Private sector involvement in the Dryland Sustainable landscapes will be sought and encouraged to improve smallholder yields, add value to their agricultural and forestry products and link the producers to markets. To achieve sustainable land management, it will also be important to create stable revenues with dryland products and to introduce sustainable supply chains for specific dryland commodities including cotton, wool, leather, fuelwood, charcoal, shea, gum Arabica, etc.

387. The program will also seek cooperation with projects of the Land Degradation Neutrality Fund (LDN Fund), which facilitates private investments in sustainable land management. Specifically, countries⁸⁸ that are already in an advanced stage or have expressed interest in bringing transformative projects to the LDN Fund may wish to join the Dryland Sustainable Landscapes to support the establishment of the necessary institutional framework and monitoring mechanisms and/or invest in specific implementation measures to create GEBs. In this way, GEF funding would complement the investments of the LDN fund to achieve voluntary LDN targets in those specific countries.

Contributions to Multilateral Environmental Agreements

388. The Impact Program will help implement SDGs 13 and 15 on climate action and life on land. In addition, the Program will make significant contributions to achieving Aichi Target 2: Integrate biodiversity and development; Aichi Target 4: Sustainable production and consumption; Aichi Target 5: Habitat loss halved; Target 7: Sustainable agriculture, aquaculture and forestry; Aichi Target 11: Expansion of protected area networks; Aichi Target 14: Restore and safeguard essential ecosystem services; Aichi Target 15: Enhance ecosystem resilience and carbon stocks; and Aichi Target 19: Knowledge-base and science applied.

389. The Program will also make significant contributions to the Climate Change Convention through its activities aiming at enhancing ecosystem resilience and carbon stocks, avoiding deforestation and increasing agriculture and forest areas under sustainable management. It will also address important safeguards, including in particular the respect for the knowledge and rights of indigenous peoples and members of local communities, the full and effective participation of relevant stakeholders, and the consistency with the conservation of natural forests and biological diversity.

390. With regards to desertification, land-degradation, and drought, the Impact Program will help reinforce SFM as a means of preventing soil erosion and flooding, thus increasing the size of atmospheric carbon sinks and conserving ecosystems and biodiversity. Inclusion of drylands in

⁸⁸ E.g. Brazil, Indonesia, Nicaragua, Peru, Tanzania, Zambia, Kazakhstan, Mali, and Colombia.

the IP responds to multiple criteria from the CBD and the UNFCCC, but it is essentially aligned with UNCCD goals and objectives and notably its focus on drylands and its use of the LDN tool. The comparative advantage of GEF lies in its mandate given by the UNCCD as a financial mechanism and as the major investor in combating land degradation and desertification globally. Based on GEF experiences with championing SLM through impactful programs⁸⁹, the Sustainable Drylands Program will be able to liaise with the other Rio Conventions to bring transformative change in drylands globally.

391. The Impact Program will also contribute to the UNFF Global Objectives on Forests by reversing the loss of forest cover worldwide through sustainable forest management (SFM), including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation.

Comparative Advantage of the Global Environment Facility

392. The GEF has a mandate from the three Rio Conventions covering SFM and REDD+ activities, in all types of forests within 144 developing countries. The GEF has demonstrated through its portfolio the crucial importance of forests of all types providing a range of important environmental services, in particular to protect a globally important biodiversity, carbon stocks, offering livelihood options for many forest dependent people, and responding to a demand of timber and non-timber products to population living in the vicinity of forest areas. The SFM IP builds on GEF's track record as a champion of the protection and sustainable use of forests for multiple benefits, with to date over USD 2.7 billion in SFM grant support leveraging USD 14 billion of co-financing from other sources. In 2007, GEF initiated an SFM incentive program with the GEF-4 Tropical Forest Account that was announced at the Bali Climate Change COP. It was tested and extended to scale during GEF-5 and GEF-6, with a focus on protection, sustainable management, and restoration of forests. The option to develop regional and global interventions has shown to be essential.

393. All the three targeted systems have benefited from pilot investments in previous GEF cycles creating a baseline to scale up impact: Amazon Sustainable Landscape Program, Strategic Congo Basin Program, and the Sahel and West Africa Program to Support the Great Green Wall Initiative. The GEF is well positioned to further advance previous gains by responding to country priorities to protect, restore, and sustainably manage their forests so that they provide a wide range of ecosystem services, support local livelihoods, strengthen climate change resilience. GEF's implementing experience in the Amazon, Congo Basin, and elsewhere shows that coordinated programs foster collaboration, strengthen knowledge exchange, and extend the impact of the scope of the work.

394. The Program will take on the drivers of forest loss and degradation through strategies aimed at creating a better enabling environment for forest governance, land use policies and for clarifying land tenure; supporting rational land use planning across mixed-use landscapes;

⁸⁹ Such as the Great Green Wall Initiative (GGWI), the Sustainable Land and Ecosystems Management (SLEM) program in India, and the Central Asian Countries' Initiative on Land Management (CACILM)

strengthening of protected areas;; supporting the management of commercial and subsistence agriculture lands to reduce pressure on adjoining forests; and utilizing financial mechanisms and incentives for sustainable forest utilization such as marketsand PES schemes. The GEF also serves as the financial mechanism of several MEAs whose interests are particularly relevant in all type of forests.

Global Environmental Benefits

395. The program will improve management effectiveness of protected areas developed in KBAs and conservation corridors. Buffer zones of protected areas will benefit from sustainable forest management practices, and forest conservation and management measures will result in tons of carbon stored and avoided emissions. The interventions in dryland landscapes will result in an improved provision of agro-ecosystem and forest ecosystem goods and services. Socio-economic benefits will be important and include reduced vulnerability of communities living in drylands. In cooperation with the Chemicals focal area, where feasible, investments to address mercury pollution through unlocking private sector engagement in artisanal and small scale gold mining will be explored. The measure of GEBs will be the area of globally significant habitat, as measured in hectares, sustainably managed or conserved, hectares under sustainable land management, tons of CO₂e mitigated, and reduction in tons of Mercury.

Table 8 Global Environmental Benefits

Focal Area	Objectives and Priorities to be addressed through the IP
Biodiversity	<ul style="list-style-type: none"> • Conserving globally important biodiversity in key landscapes and forested areas.
Climate Change Mitigation	<ul style="list-style-type: none"> • Land-based and value chain GHG mitigation (<i>sequestration and avoidance</i>) - GHG emissions reductions from landscape forest conservation
Land Degradation	<ul style="list-style-type: none"> • Sustainable management of forest landscape and dryland production systems – integrating the LDN targets into planning processes, focusing mainly on improved land use and management for crop and livestock production
International Waters	<ul style="list-style-type: none"> • Integrated land and water management, such as through advancing the nexus approach in watersheds and basins • Prevention of nutrient pollution
Chemicals and Waste	<ul style="list-style-type: none"> • Reduction of Mercury from reforming Artisanal and Small-scale Gold Mining (ASGM) practices

PRIVATE SECTOR ENGAGEMENT

Global Context

396. In order to transform economic systems and reverse unsustainable global trends, the private sector will need to play an essential role. The call for greater private sector engagement for sustainability and protecting the environment were strengthened by the 2030 framework for the Sustainable Development Goals which countries increasingly acknowledge requires strong private sector contribution.

397. A number of private sector leaders have been responding to the call and started to take actions. They have taken the call for action not only from a risk perspective but also to pursue business opportunities. According to a landmark report from the Business & Sustainable Development Commission⁹⁰, pursuing sustainable and inclusive business models could unlock economic opportunities worth at least USD 12 trillion a year by 2030 and generate up to 380 million jobs, primarily in developing countries. Private sector leadership and commitments were also essential to fostering confidence in low emission technologies and business models considered essential for achieving the Paris Agreement. However, real leadership will continue to be needed to create partnerships between private sector, government and civil society to transform the key economic systems.

398. GEF will need to not only capitalize on the growing interest by private actors in the sustainability agenda and create the conditions for transformation of markets, but also “crowd-in” the private sector investments to deliver environmental benefits beyond business as usual.

GEF-7 Strategy

399. As noted by the IEO, “The GEF engages with a wide variety of private sector entities that vary in their industry focus, size, and approach to environmental issues using a mix of intervention models. The range extends from multinational corporations; through large domestic firms and financial institutions; to micro, small, and medium enterprises and smallholders/individuals⁹¹. GEF investments involving the private sector have delivered higher co-financing, have balanced regional distribution, and address drivers of environmental degradation⁹²”. OPS6 noted that one successful GEF intervention is the use of non-grant instruments to foster greater private sector engagement and attract private sector co-financing, and noted GEF’s success in broadening those investments to include natural resources management⁹³. OPS6 also documented many of GEF’s experiences in creating or strengthening

⁹⁰ Better Business-Better World. January 2017.

⁹¹ GEF IEO (GEF Independent Evaluation Office) 2017, *Sixth Comprehensive Evaluation of the GEF (OPS6): The GEF in the Changing Environmental Finance Landscape*; and GEF/ME/C.52/Inf.04, *Evaluation of GEF's Engagement with the Private Sector*

⁹² Ibid

⁹³ Ibid

multistakeholder platforms and public private partnership, including the Integrated Approach Pilots, Payments for Eco-system Services, and GloBallast.

400. Despite these achievements, only 43% of respondents to IEO's survey agree that the GEF's ability to engage the private sector is a comparative advantage, and also indicated a lack of awareness of GEF's extensive engagement in private sector partnerships and platforms, focusing instead only on accessing the private sector for financing⁹⁴.

401. OPS6 provides some documentation of structural challenges for private sector engagement. Evidence suggests that STAR country allocation system has not proven amenable to fostering private sector involvement. Private sector investments only account for 16% of co-financing across the portfolio, making the STAR as one constraint to greater private sector engagement⁹⁵. Countries rarely choose to program their STAR allocations towards private sector projects and programs, and private sector engagement is sporadic in the processes whereby countries establish priorities for GEF financing. Lack of knowledge and awareness on both sides is another reason for unsatisfactory participation by the private sector in GEF operations.

402. Based on these findings, the Secretariat is proposing a two-pillar strategy for GEF-7, with a view that this strategy will address several of these barriers by offering greater access to non-grant instruments and explicitly creating opportunities to involve the private sector in new programs under the GEF-7, notably the impact programs:

- The first pillar is to expand the use of non-grant instruments; and
- The second pillar is working with the private sector as an agent for market transformation.

Pillar 1: Expand the use of non-grant instruments

403. GEF key stakeholders are increasingly attracted to the use of non-grant instruments for blended finance, illustrated through the GEF-6 Non-Grant Instrument Pilot, as a mechanism to enhance private sector engagement. The Non-Grant Pilot was successful, attracting more proposals than could be funded, and resulting in 11 innovative projects that included USD 99.5 million in GEF funding while attracting USD 1,792 million in co-financing. The pilot demonstrated that non-grant projects can provide very high leverage of GEF investment, and that project developers and GEF agencies are increasingly able to offer innovative financing solutions for natural resources management.

404. Blended finance aims to use scarce public resources to unlock large multiples of private sector finance, and therefore has attracted significant interest in recent years, including a private sector window for IDA and added emphasis on catalyzing private investment by many bilateral and multilateral funds. The GEF experience using non-grant instruments shows that blended finance can be a potent instrument.

⁹⁴ Ibid

⁹⁵ Ibid.

405. The GEF-6 Non- Grant Instrument Pilot, through debt, equity, or risk guarantees, was designed to pursue innovative blended finance to catalyze private sector investment and seek projects in all focal areas. Based on lessons learned from investments in clean energy and low-carbon technologies, GEF has successfully expanded innovative blended finance to natural resources management. Of the 11 projects awarded, 7 are focused on natural resources.

Box 2. Examples of GEF-6 NGI Projects

The Moringa Agro-forestry Fund for Africa, managed by the AfDB, will promote sustainable land management in production landscapes in Burkina Faso, Cote d'Ivoire, Kenya, Mali, Tanzania, Zambia, and Congo DR. The Fund will invest in 5-6 scalable, replicable agroforestry projects that combine plantation forestry with agricultural elements to capture most of the value chain.

The Meloy Fund, implemented by Conservation International and RARE will establish the first fund for sustainable small-scale fisheries in Southeast Asia to improve the conservation of coral reef ecosystems by providing financial incentives to fishing communities in the Philippines and Indonesia to adopt sustainable fishing behaviors and rights-based management regimes.

The Third South West Indian Ocean Fisheries Governance and Shared Growth project managed by the World Bank will now include an innovative partnership with the Government of Seychelles to support the issuance of Blue Bonds to attract private sector investment, supported by a GEF non-grant investment. The Blue Bonds proceeds will strengthen efforts to improve management of fisheries and coastal conservation at regional and national levels and improve fish handling processes at targeted handling sites in the Seychelles.

The Risk Mitigation Instrument for Land Restoration project, managed by the Inter-American Development Bank combines a GEF investment of USD 15 million with USD 120 million in co-financing to deploy innovative risk mitigation instruments to restore degraded lands in Latin America through investments such as sustainable management for increased eco-system services, landscape regeneration, intercropping, shade-grown systems, high-value forest products, and silvo-pastoral systems.

The CPIC Conservation Finance Initiative - Scaling up and Demonstrating the Value of Blended Finance in Conservation, managed by IUCN combines a GEF investment of \$8 million non-grant with \$2 million of grant funding from Rockefeller Foundation and an expected \$100 million of private sector investment. The aim is to overcome hurdles to private sector investment in natural resources management and improve the conservation and sustainable use of biodiversity by demonstrating innovative finance blending models. This project will take advantage of the growing engagement of the Coalition for Private Investment in Conservation (CPIC), launched at the IUCN World Conservation Congress in September 2016, with the intent of increasing deal flow into global priority conservation projects. The core of the CPIC model is the development of investment blueprints that create models for investable conservation projects in five sectors: sustainable agriculture; coastal fisheries; coastal resilience; green infrastructure for water; and forest landscape restoration and conservation.

406. Under GEF-7, the GEF will accelerate the use of non-grant instruments for blended finance in support of delivering GEBs and continue to catalyze investments from capital markets at global and national levels aligned with focal area objectives. The GEF partnership will continuously innovate, keeping track of global trends in blended finance and seeking increased number of projects in the area of natural resources management.

407. Specific emphasis will be placed on investment platforms, such as the Coalition for Private Investment in Conservation (CPIC) platform that provides integrated grant and non-grant

investment services that facilitate rapid scaling of investment beyond one-by-one projects. The goal of the GEF-7 in this area is to create and participate in platforms where several constraints in conservation finance, such as small size, lack of capacity, and perceived risks are collectively addressed and attract private investments to natural resource management at scale.

Pillar 2: Mobilizing the private sector as an agent for market transformation

408. As noted, there are numerous barriers to expanded private sector engagement in GEF projects, including countries' lack of interest or capacity in involving the private sector in STAR supported projects, and a lack of entry points for private sector stakeholders at the global or national level to address environmental challenges and opportunities across the entire value chain. From the viewpoint of the private sector which is eager to pursue sustainability and reduce reputational risk, the fact that not many GEF projects have offered opportunities to engage across the entire value chain in a coordinated manner has diminished their interest in the GEF projects. However, there are several examples of success cases for the private sector involvement.

Box 3. Examples of Private Sector Involvement

The Commodities IAP has enlisted the support of major palm oil producers who have committed to “zero-deforestation” palm oil production, facilitating training and capacity building for small-holders that form the foundation of the supply chain. In case of beef in Paraguay McDonalds has joined this initiative. Domestic financial sector also has participated in promoting green financing;

Philips, Osram, ABB, MABE and other appliances and equipment manufacturers are supporting the Sustainable Energy for All effort to accelerate energy efficiency and leapfrog developing markets to more efficient equipment;

The Maritime Trading Organization and major shippers committed voluntarily to an international regulatory framework which reduces the spread of invasive species through the Globallast Program, leading to formal adoption of the approach in the Ballast Water Management Convention (BWM) in 2017;

The GEF Gold partnership which aims at taking mercury out of the supply chain, builds a bridge between suppliers and corporate consumers of gold, such as computer, high end jewelry, as well as financial sector, enabling new approaches to reduce harmful mercury emissions across the full supply chain;

- GEF's early support for water funds in Latin America fostered partnerships between public and private, urban and rural, to provide protection for vital catchment zones.

409. It should be noted that the successful multi-stakeholder partnerships listed above are almost exclusively funded outside of STAR country allocation, specifically, either Chemicals and Waste focal area, International Waters focal area, or set-asides under the Rio Focal Areas. This is consistent with the findings of IEO and suggests that under the STAR country allocations it is hard to form multi-stakeholder partnerships and platforms that involve business at the outset, leaving much less opportunity for business to be a full fledged partner⁹⁶.

⁹⁶ Ibid, page 92.

410. The GEF-7 strategy offers enhanced opportunities to work with the private sector as an agent for market transformation. In particular the proposed Impact Programs seek to bring in the private sector at an early stage of the program design with well specified roles. In programming discussions, Countries and Agencies would conduct careful analysis and stakeholder consultation to identify the particular role of the private sector inherent to the program they are designing.

411. Possible role of the private sector in Impact Programs may include:

- Within the Food Systems, Land Use and Restoration Impact Program, existing platforms and new partnerships will be critical to continue progress on linking major suppliers and consumers of agricultural commodities. Current market barriers include policy and regulatory frameworks, for example, those related to food storage and distribution which do not provide incentives to shift to sustainable farming practices; inadequate implementation of existing regulations; risks of investing in sustainable land management and lack of capacity with small-holders who are critical to the supply chain; among others. Platforms are vitally needed to bring key actors, including businesses, together to encourage them to transition to sustainable business practices. These will be created either in jurisdictions under committed leaders and / or along supply chains of commodities around which many actors are already lined up. They can also foster innovative non-grant financing. For example, sustainable land management techniques, such as inter-cropping, can benefit from project preparation support and concessional financing; and
- The Sustainable Cities Impact Program, as an extension of the GEF-6 Sustainable Cities IAP, will continue to create opportunities for multistakeholder platform involving the business. Prime examples from GEF-6 include coalition for Energy Efficiency Building Coalition which brings cities as regulator of building codes and planner, businesses as provider of expertise and technology, and banking sector as financiers, and the GEF as a catalyst. Cities also offer valuable space to test new ideas of improved approaches to material and chemical production and consumption, such as circular economy, which involves various business sectors including transport and food systems. The platform, managed by the Agencies and city association such as ICLEI and C40 is becoming a hub for north-south and south-south cooperation in sustainable urbanization, including training on access to finance.

412. In order to realize the opportunities to enhance the role of the private sector in those programs, it is critical for countries and agencies to bring the private sector upfront in the design stage of programming. The private sector role should be clearly identified as core elements in each of Impact programs before finalization of the program design.

Enhancing GEF Capacity for Private Sector Engagement

413. OPS6 suggests that the GEF Secretariat needs additional expertise on capital markets, loan origination, and trust fund management. The Secretariat believes delivering GEF-6 non-grant pilot demonstrated the strong capacity of GEF agencies to perform the full range of

financial responsibilities to implement non-grant projects, including project development, due diligence, application of safeguards, financial structuring, investment, repayment, and reflows to the GEF Trust Fund. However, in order to ensure continued success of the non-grant pilot and enhance future investments, the Secretariat is considering several measures to be implemented. An advisory group of financial experts will be formalized and engaged fully in project reviews. Additional financial experts will be called on to help identify strategic investment trends and opportunities for platforms for aggregation and scaling, best use for specific types of non-grant instruments, and potential investment categories/platforms (e.g., sustainable fisheries, agro/forestry, chemicals and waste) where innovation is needed. To enhance effectiveness, policy updates will be proposed in partnership with agencies to address larger scale investment packages by raising the project size cap and allowing a small amount of advisory services (i.e., technical assistance) in projects that need it. To enhance transparency, additional documentation on selection criteria and project review guidelines will be developed.

414. To support implementation of Pillar 2, the GEF Secretariat is already in regular contact with private sector stakeholders regarding program and platform design features. Additional stakeholder conversations with the private sector, Conventions, and CSO community will be pursued around project design features and investment strategies. The Secretariat also believes that enhanced capacity across the GEF Secretariat and its partnership will help mainstream private sector engagement. To that end, checklists and project review guidelines focused on private sector engagement will be documented and disseminated.

OPERATIONAL GUIDANCE FOR GEF-7'S ROLL OUT

415. This section provides a preliminary description of how the GEF-7 programming directions will be rolled out to countries, agencies and stakeholders. This section places particular emphasis to how countries will be able to seek access to Impact Programs and associated resources by making use of their STAR allocations.

416. The starting point for countries is the determination of the desired deployment of their GEF-7 STAR allocations across Focal Area Investments and Impact Programs. The GEF-7 programming directions strategy contains all eligible activities for GEF focal areas and provides initial indication of eligibility to participate in Impact Programs. Enabling activities in support of convention obligations will be funded outside of the STAR country allocations. The Secretariat will accept proposals intended to be funded through STAR allocations and destined to focal area specific investments as well as those for eligible activities in the International Waters and Chemicals and Waste focal areas, in accordance with GEF policy on the project and program cycles (OP/PL/01).

417. The Secretariat will ensure that all countries have an opportunity to consider and to apply for the Impact Programs, including by issuing announcements or requests for proposals with clear timelines. Depending on the nature of the IP, Initial consultations through conference calls with interested countries, agencies and other relevant stakeholders will be organized to allow them to better understand the overall objectives of the program and assess opportunities for engagement.

418. These Secretariat announcements will be issued to all Operational Focal Points (OFPs) prior to or at the start of the GEF-7 replenishment cycle using custom-designed processes as well as making use of the Secretariat's Country Support Program tools. Secretariat dedicated staff will be made available to address frequently asked questions to better guide countries in their initial expressions of interest.

419. Initial expressions of interest are expected to contain desired agencies for the implementation of Child Projects and the associated justification for the proposed choice, along with program objectives and the fit with the preliminary selection criteria which are consistent with GEF-7 programming directions. As it was the case with IAPs in GEF-6, user-friendly templates containing the requested information will be distributed along with the call for proposals. Country ownership will be assured by requiring that all communications are routed directly through the GEF Operational Focal Points and other interested government agencies, and that all completed templates submitted to the GEF Secretariat are signed by the OFPs.

420. At a minimum, countries seeking access to Impact Programs would need to: 1) be eligible for the respective impact program, given its geographical scope and intended outcomes; 2) provide a commitment to a network-based approach beyond national and sub-national level activities, along with a recognition of the importance of and a willingness to engage in a global platform and knowledge sharing platform; 3) demonstrate an understanding of the global-child

project linkage as a means to monitor, track, and report on a harmonized set of performance indicators; and 4) meet any additional, agreed program-specific criteria to be developed through consultation workshops facilitated by the Secretariat. Given that the IPs aim at promoting systems change, indication of commitment to a national institutional framework that has the potential to promote transformational change, opportunity and approach for scaling up interventions, and approach to monitoring and assessment of environment benefits, will also be requested from proponent countries.

421. The preliminary proposals submitted by countries should also contain the amount and nature of the STAR resources they would be committing to their respective Child Project. If full flexibility between allocations for Biodiversity, Climate Change and Land Degradation is introduced in the GEF-7 cycle, countries will be granted the option to program their STAR country allocations across all three Rio Focal Areas. Countries that end up participating in an Impact Program will receive additional, non-STAR incentive funds, at a ratio of 2 to 1.

422. On the basis of expressions of interest received by the Secretariat, follow-up workshop(s) will be called to review of proposals submitted by countries, including the proposed financial commitments originating from the respective STAR allocations. At the conclusion of this process, eligible countries will be expected to have nominated Agencies of their choice for implementation of the proposed country-specific Child Projects.

423. Facilitated by the GEF Secretariat, the consultations would also focus on the identification of a Lead Agency for each Impact Program. Agencies interested in taking a role as Lead Agency must express interest and demonstrate capability to carry out the responsibilities associated with its role, including their comparative advantage to coordinate the program, and willingness to work with participating countries and other GEF Agencies.

424. Following the consultative workshop(s), the Lead Agency, selected through a consensus-building process, will make the final recommendations based on the above criteria for the inclusion of participating countries in an Impact Program, in consultation with the Secretariat.

425. In case country demand exceeds the availability of incentive funds for a particular Impact Program, the GEF Secretariat will facilitate the process of country selection with the Lead Agency, based on Impact Program-specific criteria. The mechanism will operate similarly to the incentive mechanisms applied in GEF-5 and GEF-6 with the SFM Program, and the Sustainable Cities and Food Security in Africa IAPs in GEF-6, by which more impactful child projects were given preference.

426. Global or regional coordination and knowledge exchange components designed to provide technical assistance, quality assurance and consistency across Child Projects are considered a centerpiece of the delivery of Impact Programs, and a significant factor in their value addition vis a vis isolated projects. The Lead Agency will be responsible for developing these components in close dialogue with all agencies that will be implementing Child Projects.

427. A Lead Agency will lead the development of an IP Program Framework Document (PFD) and coordinate with implementing agencies responsible for Child Projects. Both the Lead Agencies and Agencies selected by countries for country-specific projects are expected to ensure the quality of programs and projects in a way to maximize impacts along the agreed objectives under each of IPs.

428. All consultation processes leading to the selection of countries and agencies, including their respective roles, will be documented in minutes from the meetings and workshops, annexed as part of the respective IP PFDs.

429. Upon approval of the PFD by the Council, Agencies selected by participating countries, in coordination with the Lead Agency and other participating stakeholders, will prepare their respective Child Projects for CEO Endorsement/ Approval. Consistent to existing policies, Child Projects under Impact Programs would be circulated to Council for review and comment four weeks in advance of CEO endorsement.

430. Countries that have not been deemed sufficiently competitive in securing access to Impact Programs and their incentive funds can still align their eligible project proposals with an IP, make use of their respective STAR allocations, thereby benefitting from knowledge and exchange platforms, or preparing for a future IP call.

CORPORATE PROGRAMS FOR GEF-7

Background

431. The GEF has been implementing Corporate Programs, which are aimed at developing the capacity of its recipient countries and Civil Society Organizations (CSOs) to effectively protect the global environment. Under GEF-6, the following two corporate programs are being implemented – Small Grants Program (SGP) and Country Relations Program.

Small Grants Program (SGP)

432. The SGP is aimed at financing community-led initiatives to address global environmental issues. It is currently being implemented by UNDP on behalf of the GEF partnership. It is specifically designed to mobilize bottom-up actions by empowering local civil society organizations, and poor and vulnerable communities, including women and Indigenous Peoples.

433. Since its launch in 1992, the SGP, through a decentralized national level delivery mechanism, has implemented more than 20,000 projects in 125 countries, at a total cost of USD 542 million (the average grant size per project under the SGP is USD 25,000).

434. SGP remains one of the GEF's most successful flagship initiatives and it enjoys strong and broad support from its stakeholders. A joint evaluation of the SGP by the GEF's Independent Evaluation Office and UNDP's Independent Evaluation Office from 2013-2015 concluded that the Program continues to play a key role in promoting the GEF's objectives. It specifically noted that SGP continues to support projects that are relevant, effective and efficient in achieving global environmental benefits, while addressing issues of livelihoods, poverty, gender equality and women's empowerment. The evaluation also reported evidence of strong replication, scaling-up, sustainability, and mainstreaming of SGP activities.

435. SGP Under GEF-7: Based on lessons learned during the last 25 years, and inputs from recent stakeholder consultations, including with governments, Convention focal points, and the private sector, the SGP will place greater focus in GEF-7 on promoting strategic and results-based investments at the local level in alignment with the GEF's proposed Impact Programs and Focal Area investments. SGP-financed projects could require greater focus on promoting and supporting innovative and scalable initiatives at the local level to protect the global environment in priority landscapes and seascapes. It could also support projects that would serve as "incubators" of innovation, with the potential for broader replication of successful approaches through larger projects supported by the GEF and/or other partners.

436. The SGP will give priority in GEF-7 to the following strategic initiatives, which complement the proposed Impact Programs at the community level: (a) Sustainable Agriculture and Fisheries; (b) Low-Carbon Energy Access Benefits; (c) Community-based Threatened Ecosystems and Species Conservation: Land and Water; (d) Local to Global Coalitions in Chemicals and Waste Management; and (e) Catalyzing Sustainable Urban Development.

437. The SGP's Country Programming Strategy will prioritize critical landscapes/seascapes to focus its programming on globally recognized important ecosystems (including Key Biodiversity Areas). It will continue to seek synergies, implement multi-sectoral approaches by involving communities at the landscapes/seascapes level, and facilitating communities' innovative actions to effectively manage the complex mosaic landscapes/seascapes.

438. The SGP will also finance strategic services to the civil society and community organizations to enhance their institutional, technical and financial capacities; and to develop partnership platforms and networks for scaling up and knowledge management.

439. SGP's active engagement on knowledge sharing at all levels has enabled mutual learning among its grantees and beyond, as well as replication and upscaling of initiatives. SGP will act as a convener for civil society to enhance linkage with governments and private sector on key global environmental issues, particularly in transforming policies and practices for sustainability under the Impact Programs and other GEF programs. SGP's "Grantmaker Plus initiatives" would continue to cover: (a) CSO-Government-Private Sector Dialogues: for policy and practice transformations; (b) Social Inclusion: including gender, indigenous peoples, youth, and persons with disabilities; and (c) Citizen Based Global Knowledge Platforms: including digital library and south-south cooperation.

440. Special attention will be placed in GEF-7 in strengthening SGP's operations in the Least Developed Countries and Small Island Developing States. The SGP will enhance its decentralized approaches through its multi-stakeholder National Steering Committees and development of Country Programming Strategies, which are based on assessments and consultations with stakeholders in each country.

Country Support Program (CSP)

441. The goal of the Country Support Program is to strengthen the capacity of the GEF recipient countries to fully participate in the GEF partnership to generate global environment benefits. As the major outreach vehicle for the GEF, the Country Support Program is being used by various GEF stakeholder groups in the partnership to advance the protection of the global environment (see Box 4).

Box 4: Strategic Objectives of the Country Support Program by GEF Stakeholder Groups

The Secretariat:

Meet with and explain the GEF evolution to recipient countries, including strategies, policies and procedures and how to develop a PIF;

Provide new training and tools to the GEF and Convention Focal Points and civil society representatives to be more effective in their work with the GEF and the achievement of Global Environment Benefits (GEBs) more generally;

Facilitate knowledge exchange and learning around GEF project design and implementation at both country and regional levels;

Follow up and monitor programmatic approaches, for example the Great Green Wall program;

Explain the relation between GEF and the SDGs; and

Discuss programming issues with the Operational Focal Points (OFPs)

The **GEF Focal Points** to understand and better carry out their responsibilities in the partnership, including to learn from other organizations best practices in areas such as project management, Knowledge exchange, national experiences and possible South-South cooperation.

The **Convention Focal Points** to better understand and appreciate the contributions of the GEF as a financial mechanism to the achievement of the Convention objectives and therefore provide more informed guidance through the Convention Conference of the Parties (CoPs).

Civil society representatives to meet and develop relationships with their Government counterparts, the Agencies and the GEF Secretariat to contribute better to the attainment of Global Environment Benefits.

The Council members and Alternates to meet with the focal points of the countries they represent to prepare for Council meetings, discuss regional projects, exchange information and views.

The **recipient Council members and Alternates** to meet prior to the Council meetings to discuss issues of interest on the agenda.

The **national governments** to meet national stakeholders to discuss and validate national objectives, strategies, policies, coordination, mainstreaming considerations relevant to the global environment in their decision making and specific GEF programming.

The **Convention Secretariats** to take advantage of the presence of Focal Points and civil society to pursue consultations and other GEF-related goals.

442. The Country Support Program, under GEF-6, comprises a variety of opportunities for meetings and workshops to promote dialogue among different GEF stakeholder groups, including the following: GEF National Dialogues; GEF National Portfolio Formulation Exercise; GEF Introduction Seminars; GEF Council Constituency Meetings; the GEF Workshops, especially Expanded Constituency Workshops (ECWs); Pre-Council Meetings of recipient Constituency Council members and Alternates and GEF Knowledge Days. Under GEF-6, a total of 39 ECW workshops were conducted in 2015, 2016 and 2017.

443. The Country Relations Program activities are strengthening countries capacity by informing, assisting and empowering relevant officials, including GEF Focal Points, Convention Focal Points, and Civil Society Organizations to enable them to engage on and contribute to the protection of the global environment.

444. **The Country Support Program in GEF-7.** The strategic objectives of the Country Support Program, as summarized in Box 4, will remain fully relevant under GEF-7. Countries have reported that the need addressed by the program remains high and the intensity of program engagement is not expected to decrease. The type of activities currently financed by the on-going program should continue to shape future offerings. However, greater emphasis could be placed in the

design of workshops and meetings on raising awareness about the unique features of the GEF-7 package offerings, with the view of helping countries to engage and participate in new opportunities. It is, therefore, expected that once the programming directions of GEF-7 are firmed up, the Secretariat will work with Agencies, countries and other stakeholders to design activities responsive to the need to facilitate effective participation of the GEF country stakeholders in the implementation of the program.

Annex 1. Biodiversity Focal Area and Associated Programming Investments Results Framework

Goal	Impacts ⁹⁷	Indicators	Means of verification
Maintain globally significant biodiversity in landscapes and marine habitat	<p>Biodiversity conserved and habitat maintained in national protected area systems and other effective area-based conservation measures</p> <p>Conservation and sustainable use of biodiversity in production landscapes and marine habitat</p>	<p>Intact vegetative cover and degree of fragmentation in national protected area systems and other effective area-based conservation (hectares)</p> <p>Intact vegetative cover and degree of fragmentation in production landscapes (hectares)</p> <p>Coastal zone habitat and marine habitat intact in marine protected areas and productive marine habitat (hectares and km).</p>	Remote sensing and, where possible, supported by visual or other verification methods.
Objectives	Outcomes	Indicators	Means of verification
<p>1) Mainstream biodiversity across sectors as well as within production landscapes and marine habitat</p> <p><i>and</i></p> <p>2) Reduce direct drivers of biodiversity loss</p>	Landscapes and marine habitat under improved management (excluding protected areas)	<p>Area of landscapes under improved management to benefit biodiversity (hectares, non-certified)</p> <p>Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations (hectares)</p> <p>Area of High Conservation Value Forest (HCVF) avoided (hectares)</p> <p>Area of land restored (forest, natural grasslands and shrublands, wetlands) (hectares)</p> <p>Area of marine habitat under improved practices to benefit biodiversity (hectares,)</p> <p>Number of fisheries that meet national or international third-party certification that incorporates biodiversity considerations</p> <p>Number of Large Marine Ecosystems with reduced nutrient pollution and hypoxia</p> <p>Globally over-exploited fisheries moved to more sustainable levels (metric tons)</p>	GEF portal reporting

⁹⁷ Long term effects of the portfolio investment, target area for impacts and outcomes would be 1.2 billion hectares.

	<p>Terrestrial habitat under improved conservation and sustainable use (million hectares)</p> <p>Marine habitat under improved conservation and sustainable use (million hectares)</p>	<p>Terrestrial protected areas created⁹⁸ (hectares)</p> <p>Terrestrial protected areas under improved management effectiveness (hectares)</p> <p>Marine protected areas created (hectares)</p> <p>Marine protected areas under improved management effectiveness (hectares)</p>	GEF portal reporting
3) Strengthen biodiversity policy and institutional frameworks	<p>NBSAPs revised as appropriate</p> <p>Protocols to CBD (Cartagena and Nagoya) under implementation</p>	<p>NBSAPs revised following COP guidance (proportion of GEF eligible parties successfully revising)</p> <p>Ratifications of protocols, supplementary protocols (number)</p> <p>Degree of implementation of Cartagena and Nagoya Protocol</p>	GEF database, Reports posted on CBD website , in-depth reviews of portfolio

⁹⁸ Per the GEF biodiversity focal area strategy, new protected areas created with GEF support must meet the Key Biodiversity Area criteria.

Annex 2. Programming options available to countries against the priorities and outcomes of each objective as identified by COP-13

Objective 1. Mainstream biodiversity across sectors as well as within production landscapes and seascapes

A) Improve policies and decision-making, informed by biodiversity and ecosystem values	Programming options
Expected Outcome 1: Financial, fiscal, and development policies, as well as planning and decision-making ⁹⁹ take into account biodiversity and ecosystem values, ¹⁰⁰ in the context of the different tools and approaches used by Parties to achieve the Aichi Biodiversity Targets.	Biodiversity Focal Area Strategy: Natural Capital Assessment and Accounting
Expected Outcome 2: Identified significant incentives, including subsidies, harmful for biodiversity are eliminated, phased out, or reformed, consistent and in harmony with the Convention and other international obligations and taking into account national socioeconomic conditions.	Biodiversity Focal Area Strategy: Natural Capital Assessment and Accounting Biodiversity Mainstreaming Impact Programs: Food systems, land use, & restoration International Waters Focal Area Strategy: sustainable fisheries
Expected Outcome 3: Economic sectors affecting significant biodiversity adopt sustainable supply chains and/or clean production processes, thus minimizing their impacts on biodiversity.	Impact Programs: Food systems, land use, & restoration
B) Manage biodiversity in landscapes and seascapes	Programming options
Expected Outcome 4: Loss, fragmentation, and degradation of significant natural habitats, and associated extinction debt, is reduced, halted or reversed, and conservation status of known threatened species is improved and sustained, including through monitoring, spatial planning, incentives ¹⁰¹ , restoration, and strategic establishment of protected areas and other measures.	Biodiversity Focal Area Strategy: Inclusive Conservation, Preventing the Extinction of Known Threatened Species and Wildlife for Sustainable Development Impact Programs: Food systems, land use, & restoration Sustainable Forest Management Impact Program: Amazon Sustainable Landscapes, Dryland Forests, Congo Basin Landscape
C) Harness biodiversity for sustainable agriculture	Programming options
Expected Outcome 5: Biodiversity supporting key agricultural ecosystems, such as through pollination, biological pest control, or genetic diversity, is conserved and managed, contributing to sustainable agricultural production.	Biodiversity Focal Area Strategy: Securing Agriculture's Future: Sustainable Use of Plant and Animal Genetic Resources Impact Programs: Food systems, land use, & restoration

⁹⁹ At spatial, non-spatial, sectoral, national and subnational levels.

¹⁰⁰ See decision X/3, paragraph 9(b)(ii).

¹⁰¹ As referred to in Aichi Biodiversity Target 3.

Objective 2. Reduce direct drivers of biodiversity loss

D) Prevent and control invasive alien species	Programming options
Expected Outcome 6: Management frameworks for invasive alien species are improved	Biodiversity Focal Area Strategy: Prevention, Control and Management of Invasive Alien Species
E) Reduce pressures on coral reefs and other vulnerable coastal and marine ecosystems	Programming options
Expected Outcome 7: Anthropogenic pressures on vulnerable coastal and marine ecosystems, including coral reefs, mangroves and seagrass beds, and associated ecosystems, including pollution, overfishing and destructive fishing, and unregulated coastal development, are reduced, thus contributing to ecosystem integrity and resilience	Biodiversity Focal Area Strategy: Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate (Marine Protected Areas) International Waters Focal Area Strategy: Coastal and marine protected areas and sustainable fisheries
F) Enhance the Effectiveness of Protected Area Systems	Programming options
Expected Outcome 8: The area of protected areas under effective and equitable management is significantly increased, including development of sustainable financing. Expected Outcome 9: The ecological representativeness of protected area systems, and their coverage of protected areas, and other effective area-based conservation measures, of particular importance for biodiversity is increased, especially habitats for threatened species.	Biodiversity Focal Area Strategy: Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate Inclusive Conservation Sustainable Forest Management Impact Program: Amazon Sustainable Landscapes Congo Basin Landscapes International Waters Focal Area Strategy: Coastal and marine protected areas
G) Combat illegal and unsustainable use of species, with priority action on threatened species	Programming options
Expected Outcome 10: Illegal, unregulated and unsustainable taking, and/or trafficking of species of flora and fauna, including marine species, is significantly reduced and both demand and supply of related products is addressed, with priority action on threatened species.	Biodiversity Focal Area Strategy: Global Wildlife Program (Component 1: Preventing the Extinction of Known Threatened Species)

Objective 3: Strengthen biodiversity policy and institutional frameworks

H) Implement the Cartagena Protocol on Biosafety	Programming Options
<p>Expected Outcome 11: The number of ratifications of the Cartagena Protocol on Biosafety and the Nagoya–Kuala Lumpur Supplementary Protocol on Liability and Redress is increased.</p> <p>Expected Outcome 12: National implementation of the Cartagena Protocol on Biosafety and the Nagoya–Kuala Lumpur Supplementary Protocol on Liability and Redress is enhanced.</p>	<p>Biodiversity Focal Area Strategy: Implement the Cartagena Protocol on Biosafety</p>
I) Implement the Nagoya Protocol on Access to Genetic Resources and Benefit-sharing	Programming options
<p>Expected Outcome 13: The number of ratifications of the Nagoya Protocol is increased.</p> <p>Expected Outcome 14: Number of countries that have adopted legislative, administrative or policy measures on access and benefit-sharing to implement the Protocol is increased, including, inter alia and as appropriate, measures for mutual implementation with other relevant international agreements, coordination in transboundary genetic resources and associated traditional knowledge, and/or procedures to issue internationally recognized certificates of compliance.</p>	<p>Biodiversity Focal Area Strategy: Implement the Nagoya Protocol on Access and Benefit Sharing,</p>
J) Improve biodiversity policy, planning, and review	Programming options
<p>Expected Outcome 15: Parties meet their reporting obligations under the Convention and the Protocols, through submission of relevant national reports and of relevant information through the clearing-houses.</p> <p>Expected Outcome 16: National policy and institutional frameworks are reviewed, their implementation and effectiveness assessed, and gaps identified and addressed by the frameworks.</p> <p>Expected Outcome 17: The review and, as appropriate, revision and update, of national biodiversity strategies and action plans in the light of a successor framework to the Strategic Plan for Biodiversity 2011-2020, is implemented, incorporating an enhanced focus on achieving policy coherence.</p>	<p>Biodiversity Focal Area Strategy: Countries will be able to access the focal area set-aside funds to implement enabling activities.</p>