Ministry of Foreign Affairs – (Department for Multilateral Cooperation and Climate Change, MKL)

Meeting in the Council for Development Policy 30 October 2018

Agenda item 5

1. Overall purpose	For discussion and recommendation to the Minister
2. Title:	Organisation Strategy for the Global Environment Facility (GEF) and the Least Developed Countries Fund (LDCF) 2018-2022
3. Presentation for Programme Committee:	10 October 2018

GLOBAL ENVIRONMENT FACILITY (GEF) AND LEAST DEVELOPED COUNTRIES FUND (LDCF)

Introduction

The Global Environment Facility (GEF) was established in relation to the first Rio Conference in 1992, with a mandate to preserve global environmental benefits, and serve as finance mechanisms for the Rio Conventions, e.g. climate change, biodiversity, desertification. GEF also hosts the Least Developed Countries Fund (LDCF). LDCF was established in 2001 and seeks to enhance climate change adaptation in LDCs.

File no.	2018-3103 / 2015-51333			
Responsible unit	Department of Multilateral Co-operation and Climate Change			
DKK, millions	**2018**	**2019**	**2020**	**2021**
Capital subscription (GEF)	450	0	0	0
Capital subscription (LDCF)	0	150	0	0
Duration of strategy	2018-2022			
Finance act code.	06.34.01.20			
Desk officer	Tobias von Platen-Hallermund			
Financial officer				

Key results

- GEF: Has created more than 3,300 protected areas covering 860 million hectares, an area larger than Brazil and reduced the vulnerability of more than 15 million people in 130 countries.
- GEF: Has provided over $20 billion in grants and mobilized an additional $88 billion in financing for more than 4000 projects in 170 countries.
- LDCF: Each of the LDCs have received support for adaptation measures reducing the vulnerability of more than 20 million people to the adverse impacts of climate change.
- LDCF: Has approved US$1.2 billion for funding of projects in 51 countries, leveraging more than US$4.8 billion in financing from partners.

Justification for support

- GEF and LDCF: Support is directly in line with the Danish strategy "The World 2030", which aims to counter deteriorating living conditions as a result of climate changes and environmental degradation by building increased resilience.
- GEF: Has an important role as the financial mechanism of the Rio conventions, the Stockholm Convention, the Montreal Protocol to which Denmark is a party and finds of great value.
- LDCF: It is the only fund entirely dedicated to support adaptation action in LDCs thereby reaching the people most vulnerable to climate change.

Risks and challenges

- Increased private sector engagement can lead to reputational risks
- Too little focus on impacts and Implementing agencies performance in the GEF results-based management system and inadequate sustainability of project and program outcomes
- Increased competition from other finance mechanisms including the Green Climate Fund (GCF)

October 2018

GEF-7 Key Targets (2018-2022)

Terrestrial protected areas created or under improved management for conservation and sustainable use	200 million hectares
Marine protected areas created or under improved management for conservation and sustainable use	8 million hectares
Area of land restored	6 million hectares
Area of landscapes under improved practices	320 million hectares
GHG emissions mitigated	1,500 MtCO2e

Core information

Established	1992
HQ	Washington DC
CEO and Chairman of the Board	Naoko Ishii (since 2012)
Partner countries	183
Human resources	75
Danish staff	One staff. Advisor to the CEO
Danish committee seats	Alternate member in the GEF Board and member in the LDCF Council

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

DANIDA | INTERNATIONAL DEVELOPMENT COOPERATION

Danish Organisation Strategy

for

Global Environment Facility and Least Developed Countries Fund

2018 - 2022

October 2018

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1. Objective

This Organisation Strategy (OS) provides the strategic considerations for the cooperation between Denmark and Global Environment Facility (GEF) including the Least Developed Countries Fund (LDCF), which is managed by GEF. The OS forms the basis for the Danish contribution to GEF, and it is the central platform for Denmark's dialogue and partnership with GEF. It sets up Danish priorities for GEF's performance within the overall framework established by GEF 7th replenishment (2018-2022). In addition, it outlines specific goals and results vis-à-vis GEF that Denmark will pursue in its cooperation with the organisation. Denmark will work closely with like-minded countries, especially Norway in the joint GEF council seat, towards the achievement of results through its efforts to pursue specific goals and priorities.

2. The organisation

The GEF was established in relation to the first Rio Conference in 1992, with a mandate to preserve global environmental benefits, and it serves as finance mechanisms for the Rio Conventions, e.g. climate change, biodiversity, desertification. 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 the principal financial mechanism for several conventions including the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC). Since its establishment, the GEF has provided over $20 billion in grants and mobilized an additional $88 billion in financing for more than 4000 projects in 170 countries.

By preserving global environmental benefits, the GEF plays an important role in achieving the aims of several Sustainable Development Goals (SDGs), in particular SDG 13 on climate action, SDG 14 regarding life below water, and SDG 15 regarding life on land. With a strong focus on gender through the promotion of gender equality and the empowerment of women and girls in support of the GEF's mandate to achieve global environmental benefits, the GEF also directly contributes to SGD5 on gender equality. Through GEF's investments aimed at transforming key economic systems, the GEF also contributes to the achievement of SDG 2 on no hunger, SDG 7 on access to energy, and to some extent SDG 12 on sustainable production and consumption. In addition to this, with primary objectives of fighting land degradation, mitigating the effects from climate change and rebuilding natural resource based livelihoods, the GEF reduces some of the underlining causes of fragility and conflict, which in turn may lead to migration.

The GEF has 183 member countries, which are represented in the GEF Council by 32 constituencies. The GEF is governed by an Assembly held every fourth year, and the council that meets twice a year. In the council Denmark currently shares a seat as alternate member with Norway who is the council member. Based on a mutually agreement between Denmark and Norway the division of responsibilities in the council may change during the implementation of GEF-7. The GEF council is the main governing body of the GEF comprising 18 constituencies from recipient countries (16 from developing countries and 2 from countries with economies in transition) and 14 constituencies from developed countries. The decision on the council are made by consensus. In absence of consensus decision are made by a double weighted majority. Affirmative vote representing both a 60% majority of the number of participants and a 60% majority of the contributions. The World Bank acts a trustee for the fund. The Trustee helps mobilize GEF resources; disburses funds to GEF Agencies; prepares financial reports on investments and use of resources; and monitors application of budgetary and project funds. The Trustee creates periodic reports that contain an array of fund-specific financial information.

The GEF secretariat is located in the World Bank in Washington, D.C. The Secretariat, which coordinates overall implementation of GEF activities, is led by a Chief Executive Officer (CEO)-Chairperson, who is appointed for a four-year term by the Council. The Secretariat consist of around 75 staff and implements decisions of the Assembly and the Council, coordinates and oversees programs and ensures policies are implemented. GEF projects and programmes are implemented by 18 Implementing Agencies (IAs), mainly UN organisations and multilateral development banks (MDB), but recently also WWF, Conservation International etc. (see annex I for a full list of IAs). Projects and programmes are generated by the IAs in cooperation with developing countries, which are provided with an envelope of funding according to the System for Transparent Allocation of Resources (STAR formular). STAR aims to allocate resources to countries in a transparent and consistent manner based on global environmental priorities and country capacity, policies and practices relevant to successful implementation of GEF projects and programs. The STAR indices consist of a global benefit index, country performance index, and gross domestic product index.

Within GEFs mandate is also the umbrella organization and host for five funds each with a more specific focus. One of these is the **Least Developed Countries Fund (LDCF)** where Denmark has been supporting since the fund was established in 2001. The LDCF, also established under the UNFCCC, addresses the special needs of the current 47 Least Developed Countries (LDCs) that are especially vulnerable to the adverse impacts of climate change. The LDCF aims to reduce the vulnerability of sectors and resources that are central to development and livelihoods, such as water, agriculture and food security, health, disaster risk management and prevention, infrastructure, and fragile ecosystems. The LDCF supports the preparation and implementation of National Adaptation Programs of Action (NAPAs) and the National Adaptation Plan (NAP). The LDCF plays an important role in the climate finance architecture by: a) piloting and demonstrating technologies, techniques, and business models for adaptation; b) supporting policy and strategy frameworks that enable and enhance adaptation and resilience mainstreaming; and c) identifying opportunities for scale-up through other sources of climate and development finance. By 2017, the Fund had approved around US$1.2 billion for the funding of projects and programs in 51 countries, leveraging more than US$4.8 billion in financing from partners.

The GEF is the managing body of the LDCF. As such, the GEF's operational policies (e.g. fiduciary, gender and safeguards), procedures and governance structure are applied to the LDCF. The LDCF Council is the main governing body of the LDCF and takes specific decisions on e.g. LDCF Strategy and funding proposals. The Council meets two times a year and functions as an independent board of directors, with primary responsibility for developing, adopting, and evaluating LDCF policies and programs. It is comprised of 32 members who represent GEF member countries, 14 from donor constituencies and 18 from recipient constituencies. As decisions are made by consensus, two-thirds of the Members of the Council constitute a quorum. Members in the GEF Council and the LDCF Council are almost identical. However, as Norway does not support LDCF, Denmark is a single seat member of the LDCF Council.

The LDCF follows streamlined and simplified procedures in order to facilitate expedited access to the Fund by the LDCs. In order to ensure sound financial management, the LDCF follows the GEF's fiduciary standards, result-based frameworks, and monitoring and evaluation practices. The LDCF follows GEF operational policies only with a few exceptions.

3. Key strategic challenges and opportunities

Ahead of the 7th GEF replenishment, the sixth comprehensive evaluation of the GEF (OPS6) was conducted by the Independent Evaluation Office (IEO), based upon 26 thematic and geographic sub-evaluations. The evaluation concludes that GEF occupies a unique niche in the finance landscape with its formalised multifaceted environmental mandate, enabling integrated solutions to the challenges at hand. Despite limited funding, the GEF is the only specialized public international institution that addresses global environmental issues beyond climate change alone. With the "STAR allocation-system", GEF delivers a relatively predictable and equitable distribution of funds to countries in their quest to address environmental issues of national priority and meeting their obligations under the various conventions. The support to Least Developed Countries (LDCs) has increased, but the support to Middle Income Countries (MIC's) remains critical in relation to the environmental challenges they face.

Overall GEF's project and programme performance is good. However, the sustainability of results after project closure remains a challenge. The evaluation found that only 63% of the OPS6 projects were rated as having outcomes that were likely to be sustained, primarily due to weak financial sustainability. However, the evaluation concludes that GEF has contributed to reduce the global and local environmental stress, and played a catalytic role. The integrated programmes that address inter-connected environmental challenges are necessary and relevant, though the actual design of some of these programmes is too complex, and it is difficult to point at the added-value of GEF. Specifically, GEFs results-based management system focus too little on impacts and there is limited availability of evidence that demonstrates the value added or additionally of a program over a set of projects.

The Multilateral Organisation Performance Network (MOPAN) is currently undertaking an evaluation of GEF, which is expected to be published in the beginning of 2019. The Department of Multilateral Cooperation and Climate Change (MKL) will carefully assess the results from the evaluation and take recommendations relevant to Denmark's key priorities into consideration in future engagement with GEF.

GEF has been under financial pressure during the 6th replenishment, due to the USD exchange rate. The full potential for mobilisation of private sector (finance) has not been fully utilized and the GEF will need to adapt its strategy to improve private sector engagement. GEF has progressed in terms on integration of gender and equality and results-based management, though there is still room for improvement in the operations. As a result of the GEF-7 replenishment process fewer and more relevant indicators have been selected with the aim of significantly enhancing the GEF's ability to sufficiently capture, monitor, analyse and report on results. This has been in line with Danish interventions at the biannual council meetings. The upgraded results framework contains eleven core indicators and associated sub-indicators that span all five focal areas (biodiversity, climate change, land degradation, international waters, and chemicals and waste). The specific GEF-7 core indicators and sub-indicators are presented in annex II. Comparison of GEF-6 and GEF-7 Targets is included in annex III.

During the replenishment negotiations the main issues included resource allocation and optimization, co-finansing and mobilization, distribution of funds across the environmental themes, and the level of flexibility. As a result of the 7th replenishment biodiversity will receive the largest share of GEF allocation of focal areas with 31,9% of total allocation (compared to 29,2% in GEF-6) whereas climate changes will receive 19,8% of the total allocation (compared to 28,4% in GEF-6). This significant reduction in funding to climate change reflects a changing funding landscape with newly established finance mechanisms such as the Green Climate Fund (GCF). As a consequence, the GEF has through the GEF-replenishment process aimed to redefine its niche and strategic positioning and focus more strongly on focal areas such as biodiversity, international waters and land degradation.

LDCF is working to attract new funds as demand for financial support from the LDCs is significant in all the targeted sectors. The LDCF has currently a pipeline of projects requiring a total of USD 156 million in new funding. The "case for investment" and strategic prioritization of new funding is outlined in a new strategy on adaptation to climate change and operational improvements (2018-2022) adopted at the latest Council meeting in June 2018. The strategy is designed to be complementary to the efforts to support adaptation by the Green Climate Fund (GCF) and also enhances gender responsiveness to further promote gender mainstreaming. Moreover, the strategy seeks to support climate adaptation action anchored in the areas of GEF's comparative advantage, which are: a) ability to deliver country-driven and global adaptation support; b) experience in designing and implementing integrated solutions; c) a focus on innovative approaches and project design; and d) demonstrated track record of delivery.

The current underfunded pipeline of important programs is significant and new Danish financial support will have a substantial and significant importance for the LDCF operations and will finance approximately 15% of the current pipeline of programs.

4. Priority areas and results to be achieved

The GEF and LDCF organisation strategy maintains attention to the Danish key priorities from earlier GEF organisation strategies. These priorities are likewise identical with the priorities in the formal Danish mandate for the GEF 7th replenishment negotiations, where Denmark succeeded in influencing the GEF 7th programme. Denmark will actively participate in the biannually GEF and LDCF Council meetings towards the achievement of the priority areas. Prior to council meetings, the Danish council member will work closely with the Norwegian counterpart to decide on meeting objectives and priorities and prepare instructions. Main outcomes from council meetings including technical and financial reporting and progress made on GEF-7 results framework will be subsequently circulated to relevant units in MFA. Denmark will also actively participate in the newly established GEF Private Sector Advisory Group, which will provide inputs to the Secretariat's proposal for a strategy on private sector engagement. In order to drill from Danish experience on attracting private investments, the Danish representative in the council will coordinate closely with relevant units in the Danish Ministry of Foreign Affairs (MFA). Denmark will also closely follow the implementation of the GEF gender equality action plan as well as actively contribute to the GEF Working Group on Environmental and Social Safeguards. To ensure a fact-based input, during the implementation process the responsible unit will try to engage the Danish Ministry of the Environment and Food, relevant NGOs that have signed a strategic partnership agreement with MFA such as Care Denmark and World Wildlife Fund for Nature as well as relevant authorities and stakeholders. The priorities are presented below and the toolbox in annex IV contains more information on priorities, objectives and indicators. The priority area regarding oceans is only valid for GEF.

Priority	**Rationale**	**Results to be achieved**	**Relevance**	**Monitoring**
Gender Equality	Women are hit harder by environmental degradation and climate change. GEF interventions need to integrate gender equality in order to deliver better outcomes	Operationalisation of the recently approved gender strategy and action plan. Improvements in percentage of projects that have conducted a gender analysis or equivalent socio-economic assessment	Gender still not sufficiently integrated in GEF activities. Only 66% of projects have conducted a gender analysis or equivalent socio-economic assessment. A gender strategy and plan was approved in June 2018 and focus in GEF 7th programme is now on operationalization. Danish Development and Humanitarian Policy prioritise gender equality	Through GEF score card and through IEO's evaluations (of completed projects)
Private Sector Engagement	In order to sufficiently preserve global environmental benefits and reverse unsustainable global trends the private sector will need to play an essential role.	Formulation and implementation of a new strategy on private sector engagement. Expansion of the use of non-grant instruments and improvement in % of respondents to IEO's survey that agree that the GEF's ability to engage the private sector is a comparative advantage	GEFs private sector engagement is still not sufficient and the private sector should be viewed more broadly than just as a source of financing. Only 43% of respondents to IEO's survey agreed that the GEF's ability to engage the private sector is a comparative advantage, Danish Development and Humanitarian Policy prioritise private sector engagement	Through financial reports and IEO's evaluations (of completed projects)
Oceans	The production of plastics increased by more than twenty-fold between 1964 and 2015, with an annual output of 322 million metric tonnes (Mt), and is expected to double by 2035, and almost quadruple by 2050	Mainstream circular economy principles into GEF's overall strategy and development of circular economy indicators relevant to the GEF:	The continued rapid growth in the production and use of plastics will have a severe and deleterious effect on the GEF's ability to deliver its objectives in many areas including climate change mitigation, biodiversity and sustainable cities	Through IEO's evaluations (of completed projects)
Results Based Management	GEF's effectiveness in fulfilling its mandate is ultimately determined by the global environmental benefits delivered through the activities it funds	Implementation of an updated policy on monitoring and evaluation. Improvements in GEF's ability to in a timely and accurate manner capture and report on specific results at the project, program and portfolio levels	GEFs M&E system should be further strengthened to enable the GEF to demonstrate its results and serve as input to the council's decisions	Through GEF score card and through IEO's evaluations (of completed projects)

A review of the GEF/LDCF organization strategy, including a review of results achieved for the four priority areas, will be conducted half way through the period of implementation. Decision on the specific format (purely Danish or joint review) will be decided at a later stage.

5. Budget

The total global budget for GEF 7th programme is $4.1 billion compared to $4.4 billion for GEF-6. A primary reason for the decrease in the total budget is the halving of the contribution from the USA. The Danish pledge to the 7th replenishment is DKK 450 million (2,28 % of the total contribution to GEF). See annex V for a table of contributions among contributing partners for GEF-7. The Danish contribution and timing of the appropriations are shown in the table below. Please note, that the disbursement plan may be changed before submission to the Council for Development Policy. The contribution is given in the form of core support. During the GEF 6th replenishment (2014-2018) Denmark's contribution amounted to DKK 435 million. Denmark has contributed with a total of USD 340 million since GEF was established.

Denmark also plans to make a contribution of DKK 150 million to the LDCF in 2019. The total Danish contribution from 2001 and up to now amounts to DKK 377 million making Denmark the 7th biggest financial contributor to LDCF since its establishment.

Year of appropriation	2018	2019	2020	2021	Total
Core contribution to GEF 7th Programme	450 mill DKK	0 mill DKK	0 mill DKK	0 mill DKK	450 mill DKK
Timing of Appropriation	300 mill DKK	50 mill DKK	50 mill DKK	50 Mill DKK	450 mill DKK

The MFA will communicate GEF and LDCF results through relevant media and use of SoMe. MKL will likewise communicate with and inform relevant Danish embassies about the GEF and LDCF projects and programmes in "their" countries, both before they are approved (with invitation to comment), and when implementation commence. This will enable communication in-countries about GEF, LDCF and Danish contributions. For programmes and projects particularly relevant to Danish bilateral support targeted engagement with relevant Danish embassies will be done with a view to identify potential overlaps and synergies.

6. Risks and assumptions

Risk identification and management are delegated to the project or program level where the responsibility lies with the implementing agencies (IA). Each IA that implements GEF projects must have sufficient systems and capabilities in place to ensure robust efforts to combat fraud and corruption. The IAs have to meet GEF minimum fiduciary standards, as well as the minimum standards on environmental and social safeguards (currently being updated), in terms of their ability to systematically identify, monitor, and manage risks. IAs compliance with those standards is assessed every four years, or at any time the standards are raised. Risks and their management are documented at all stages of the project cycle: concept, CEO Endorsement/Approval of a fully developed project, annual project implementation reports, mid-term reviews, and terminal evaluations. The Secretariat reviews the information provided at concept stage and CEO Endorsement/Approval, and seeks clarification where needed.

The World Bank's Multilateral Trusteeship and Innovative Financing (DFPTF) department is at the forefront of the World Bank's engagement in global funds and innovative financing initiatives. The World Bank is currently Trustee for 22 Financial Intermediary Funds (FIFs), including the GEF. The World Bank, as trustee to the GEF, provides a set of agreed financial services for the GEF that involve receiving, holding and investing contributed funds, and transferring them when instructed by the GEF. The following matrix provides an overview of the most significant risks identified.

Type of risk	Context	Ways to mitigate	Impact
Institutional	With the aim of increased private sector engagement this can lead to reputational risk	Through its board seat and member of the Private Sector Advisory Group, Denmark will seek to provide advice to the Secretariat on how to best engage the private sector in the implementation of the GEF-7 strategy	**Low**
Programmatic	Too little focus on impacts and IA performance in the GEF results-based management system and inadequate sustainability of project and program outcomes	Implementation of an updated policy on M&E and continued focus on sustainability of results after project closure (e.g. in IEO evaluation). Denmark will through its board seat keep the Secretariat accountable to improve on these issues	**Medium**
Contextual	Increased competition from other finance mechanisms including the Green Climate Fund (GCF)	As part of the 7th replenishments process GEF accommodated this changing funding landscape by reducing funding to climate change. Through its board seat Denmark will seek to ensure that the comparative advantage of GEF and LDCF is fully utilized in project/programs	**Medium**

Additional risks include shrinking donor contribution (especially from the US), misuse of funds, and low buy-in from the World Bank.

Annex I – List of GEF Implementing Agencies

1. Asian Development Bank (ADB)
2. African Development Bank (AfDB)'s
3. European Bank for Reconstruction and Development (EBRD)'s
4. Food and Agriculture Organizaton of the United Nations (FAO)'s
5. Inter-American Development Bank (IADB)'s
6. International Fund for Agricultural Development (IFAD)'s
7. United Nations Development Programme (UNDP)'s
8. United Nations Environment Programme (UNEP)'s
9. United Nations Industrial Development Organization (UNIDO)'s
10. The World Bank Group (WBG)'s
11. Conservation International (CI)
12. Development Bank of Latin America (CAF)
13. Development Bank of Southern Africa (DBSA)
14. Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO)
15. Brazilian Biodiversity Fund (FUNBIO)
16. International Union for Conservation of Nature (IUCN)
17. West African Development Bank (BOAD)
18. World Wildlife Fund (WWF-US)

Annex II - GEF-7 core indicators and sub-indicators

1. Terrestrial protected areas created or under improved management for conservation and sustainable use (hectares)

Component Sub-Indicators:

- Terrestrial protected areas newly created
- Terrestrial protected areas under improved management effectiveness

2. Marine protected areas created or under improved management for conservation and sustainable use (hectares)

Component Sub-Indicators:

- Marine protected areas newly created
- Marine protected areas under improved management effectiveness

3. Area of land restored (hectares)

Component Sub-Indicators:

- Area of degraded agricultural lands restored
- Area of forest and forest land restored
- Area of natural grass and shrublands restored
- Area of wetlands (including estuaries and mangroves) restored

4. Area of landscapes under improved practices (hectares; excluding protected areas)

Component Sub-Indicators:

- Area of landscapes under improved management to benefit biodiversity (qualitative assessment, non-certified)
- Area of landscapes that meet national or international third-party certification and that incorporates biodiversity considerations
- Area of landscapes under sustainable land management in production systems
- Area of High Conservation Value forest loss avoided

5. Area of marine habitat under improved practices to benefit biodiversity (hectares; excluding protected areas)

Component Sub-Indicators:

- Number of fisheries that meet national or international third-party certification that incorporates biodiversity considerations
- Number of Large Marine Ecosystems with reduced pollution and hypoxia

6. Greenhouse gas emissions mitigated (metric tons of carbon dioxide equivalent)

Component Sub-Indicators:

- Carbon sequestered or emissions avoided in the sector of Agriculture, Forestry and Other Land Use
- Emissions avoided

Contextual Sub-Indicators:

- Energy saved (megajoules)
- Increase in installed renewable energy capacity per technology (megawatts). Repeat for each technology (drop-down list)

7. Number of shared water ecosystems (fresh or marine) under new or improved cooperative management

Component Sub-Indicators:

- Level of Transboundary Diagnostic Analysis and Strategic Action Program formulation and implementation
- Level of regional legal agreements and regional management institution(s) to support its implementation
- Level of national/local reforms and active participation of Inter-Ministerial Committees
- Level of engagement in IW:LEARN through participation and delivery of key products

8. Globally over-exploited fisheries moved to more sustainable levels (metric tons)

9. Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials, and products (metric tons of toxic chemicals reduced)

Component Sub-Indicators:

- Solid and liquid Persistent Organic Pollutants (POPs) and POPs containing materials and products removed or disposed (POPs type)
- Quantity of mercury reduced
- Hydrochlorofluorocarbons reduced/phased out
- Number of countries with legislation and policy implemented to control chemicals and waste
- Number of low-chemical/non-chemical systems implemented, particularly in food production, manufacturing, and cities

10. Reduction, avoidance of emissions of POPS to air from point and non-point sources (grams of toxic equivalent gTEQ)

Component Sub-Indicators:

- Number of countries with legislation and policies implemented to control emissions of POPs to air
- Number of emission control technologies/practices implemented

11. Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

Annex III - Comparison of GEF-6 and GEF-7 Targets

	Core Indicators	Unit of Measure	GEF-6 Target	GEF-7 Target
1	Terrestrial protected areas created or under improved management for conservation and sustainable use	Mha		200
2	Marine protected areas created or under improved management for conservation and sustainable use	Mha		8
3	Area of land restored	Mha		6
4	Area of landscapes under improved practices	Mha		320
5	Area of marine habitat under improved practices to benefit biodiversity	Mha		28
	Total area under improved management (sum of indicators 1 through 5)	Mha	420	562
6	GHG emissions mitigated	$MtCO_2e$	750	1,500
7	Number of shared water ecosystems (fresh or marine) under new or improved cooperative management	Number		32
8	Globally over-exploited fisheries moved to more sustainable levels	metric tons, % of fisheries by volume	20%	3,500 (13%)[16]
9	Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials, and products	metric tons of toxic chemicals reduced	81	100
10	Reduction, avoidance of emissions of POPS to air from point and non-point sources	grams of toxic equivalent gTEQ		1,300
11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment[17]	number		Monitored

Annex IV – Tool box for Organisation Strategies: priorities, objectives and indicators

<table>
<tr><th colspan="4">The relevance of the organisation in relation to the development in international framework conditions and new actors</th></tr>
<tr><td>Present and new challenges</td><td>Relevance in relation to the development in global power structures, including new actors</td><td>Legitimacy/representation</td><td>Overall effectiveness (as a platform and norm entrepreneur, operatively)</td></tr>
<tr><td>The environment-, and specifically climate-, finance landscape has changed since the last replenishment of GEF. The Green Climate Fund, GCF has been established, many other minor funds, facilities, and programmes are in place. However; GEF is unique by covering all the Rio conventions and a few more environmental agreements, and as such well-placed to work on integrated approaches and ensure synergies and co-benefits. GEF is likewise well-placed to test approaches in a smaller scale, which other more investment oriented facilities can scale up.</td><td>GEF and GCF has, together with a few other institutions in the landscape, initiated a cooperation with the aim to ensure complementarity and coherence. This is in line with the guidance given by the Conventions' Conferences of the Parties (COP). A number of the larger MIC's, such as China, are increasing support to GEF. US has significantly reduced its support to GEF after the current US government came to power. In addition the changes in the economic power balance fuelled a discussion about optimisation of resources, with a stronger focus on countries most in need, and less focus and/or higher demands for co-financing in MICs.</td><td>GEF council has more representatives from developing countries than developed countries (16+2 vs 14). GEF is unique by a number of developing countries both contributing and receiving funding from GEF. No changes envisaged, though a GEF governance "review" agreed to take place in the 7th period.</td><td>GEF is the oldest and most experienced fund/facility in the landscape, and as such more mature. GEF inspires other institutions in terms of how best to design a facility. However, it is not a developmental institution per se, thus gender considerations, engagement with private sector etc. are still areas with room for improvement.</td></tr>
<tr><th colspan="4">The relevance and effectiveness of the organisation in relation to the international development and humanitarian agenda, and the organisation's reform process to stay relevant and efficient.</th></tr>
<tr><td>Objectives for contributions to SDGs and other key development and humanitarian goals</td><td>Objectives for the operational effectiveness</td><td colspan="2">Objectives for the organisational efficiency</td></tr>
</table>

GEF is highly relevant to the Agenda 2030 and SDGs as sustainable development is its raison d'etre. Specifically GEF is contributing directly to SDG 6 on water, 7 on energy, 11 on sustainable cities, 12 on sustainable consumption and production, 13 on climate, 14 on oceans, 15 on land (biodiversity etc.), besides an indirect contribution to many more SDGs.	As mentioned above GEF cooperate with other funds/facilities. In addition GEF works in partnership with 183 countries, and has a large network of civil society organizations, works with the private sector around the world, and receives continuous inputs from an independent evaluation office and a scientific panel. In general, it relies in the IE's operational capacities and their adherence to principles on development effectiveness etc.	GEF is a mature institution, located in the World Bank. The implementation model with few implementing and very experienced IA's, implies that the secretariat is smaller. GEF is in general well-managed, according to the independent evaluation. During the replenishment negotiations, discussions took place on the administrative budget, which some donors felt is too high, and which was reduced slightly. The more underlying challenge of the GEF model is that the secretariat is not implementing itself and emphasise strategy-policy setting and the upstream part of the project cycle, creating pipelines of good projects. However, this implies less attention to the implementation, operationalisation, and follow-through of policies, targets etc. during implementation. One example is the RBM, where the council receives information about expected results (results expressed in targets in approved projects), but not actual results data from the field. It is thus difficult to actually manage based on results. Likewise on gender and other policy issues, where policies are put in place, but the GEF model with IA and the secretariat focus, can lead to deficient operationalisation.

The relevance of the organisation in relation to Denmark's priorities in development policy and humanitarian action			
The relation between the core mandate of the organisation and the Danish humanitarian priorities and priorities in development policy.	Concrete contributions within the Danish priorities in development policy.	The organisation's effectiveness and relevance.	Opportunities for influence.
Danish humanitarian and development policy underlines environment, climate change and green growth in two contexts: 1) In transition and growth economies, while growth can lift millions of people out of poverty, it may often have adverse effects such as unsustainable consumption patterns that lead to pollution and contamination of air, soil and water,	See previous box	Yes, GEF is highly relevant, as earlier mentioned. There are likewise opportunities for asserting Danish strategic interests and strongholds within green development. An example is GEFs support to the work of UNEP-DTU partnership as implementing partner in the program *Capacity*	Denmark shares a council seat with Norway, and are as such able to influence the direction of the GEF decisions. Denmark was likewise active in the replenishment negotiation, and influenced the wording of GEF 7^{th} programme documents agreed.

increased waste problems, as well as environmental degradation and loss of biodiversity. 2) Living conditions in LDCs deteriorate as a consequence of climate changes and degradation of the environment, which aggravate and accelerate risks such as instability, fragility and migration. The core mandate of GEF that includes focus on sustainable natural resource management, environmental protection, innovative technological and financial solutions, sustainable energy etc. This mandate contributes directly to fulfilling several priority areas of the aforementioned Danish strategy.		*Building Initiative for Transparency (CBIT) Global Coordination Platform*. The programs objective is to establish a Global Coordination Platform (GCP) to support the CBIT management, and enable global coordination, maximize learning opportunities, and enable knowledge sharing to facilitate transparency enhancements.	

Annex V – GEF-7 replenishment of resources

ATTACHMENT 1: GLOBAL ENVIROMENT FACILITY TRUST FUND SEVENTH REPLENISHMENT OF RESOURCES TABLE OF CONTRIBUTIONS**

	CONTRIBUTIONS (in millions)						
	GEF-7 Basic Shares and Contributions a/		**Supplemental Contributions**	**GEF-7 Actual Shares**	**Total Contributions**		
Contributing Participants	(%)	SDR	SDR	(%)	SDR	Currency b/	Currency
1	2	3	4	5	6	7	8
Australia	1.25%	42.05	-	1.79%	42.05	76.67	AUD
Austria	1.26%	42.44	-	1.81%	42.44	50.50	EUR
Belgium	1.55%	52.10 c/	0.78 c/	2.25%	52.88	60.00	EUR
Brazil	-	4.00 d/	0.21	0.18%	4.21	6.00	USD
Canada	3.81%	127.92	-	5.44%	127.92	228.79 c/	CAD
China	-	4.00 d/	11.45	0.66%	15.45	22.00 c/	USD
Côte d'Ivoire	-	4.00 d/	-	0.17%	4.00	5.69	USD
Czech Republic	-	4.00 d/	-	0.17%	4.00	122.04	CZK
Denmark	1.59%	53.43 c/	-	2.27%	53.43	450.00	DKK
Finland	0.81%	27.19 c/	-	1.16%	27.19	30.98	EUR
France	6.27%	210.72	-	8.97%	210.72	300.00 c/	USD
Germany	10.51%	352.93	-	15.02%	352.93	420.00	EUR
India	-	4.00 d/	6.54	0.45%	10.54	15.00	USD
Ireland	0.11%	3.69	1.36 c/	0.21%	5.05	5.73	EUR
Italy	2.30%	77.31	-	3.29%	77.31	92.00	EUR
Japan	13.33%	447.82	-	19.06%	447.82	71,030.00	JPY
Korea	0.16%	5.27	0.26 c/	0.24%	5.53	7.50 f/	USD
Luxembourg	0.05%	1.68	2.32	0.17%	4.00	4.76	EUR
Mexico	-	4.00 d/	10.05	0.60%	14.05	374.51 c/	MXN
Netherlands	2.09%	70.25	-	2.99%	70.25	83.60 c/	EUR
New Zealand	0.12%	4.03	1.97	0.26%	6.00	12.00	NZD
Norway	1.36%	45.59	-	1.94%	45.59	520.00	NOK
Slovenia	0.03%	1.01	2.99	0.17%	4.00	4.76	EUR
South Africa	-	4.00 d/	1.07	0.22%	5.07	94.00	ZAR
Sweden	5.28%	177.40	-	7.55%	177.40	2,064.25	SEK
Switzerland	2.55%	85.70	-	3.64%	85.70	118.34	CHF
United Kingdom	7.05%	236.67	-	10.07%	236.67	250.00 g/	GBP
United States	5.71%	191.90	-	8.17%	191.90	273.20 c/	USD
Expected Pledges	0.77%	25.89	-	1.10%	25.89 e/		
1 New Funding from Contributing Participant	67.97%	2,310.98	39.00	100.00%	2,349.98		
2 Projected Investment Income					105.01 h/		
3 Projected Carryover of GEF Resources					402.54		
Paid-in Unallocated Resources					264.26 i/		
Paid-in Deferred Contributions					-		
Unpaid Resources					138.28 j/		
4 **Total Projected Resources to Cover GEF-7 Work Program**					**2,857.53** k/		

**** All pledges are subject to government or parliamentary approval.**

a/ The GEF-7 basic shares reflect those of the GEF-6 in respect of the following Contributing Participants: Belgium, Ireland, Luxembourg, New Zealand, and Slovenia

b/ As agreed by the contributing participants on an absence of objection basis by April 3, 2018, the average daily exchange rate over the period from September 1, 2017 to February 28, 2018 are used as the reference exchange rates to convert between the SDR amounts and the national currency amounts.

c/ Contributing Participants have the option of taking a discount or credit for acceleration of encashment and; (i) including such credit as part of their basic share; (ii) counting such credit as a supplemental contribution; or (iii) taking such discount against the national currency contribution. Denmark, and Finland have opted to include such credit as part of their basic share. Belgium has opted to include such credits partially as part of basic and supplemental contribution. Ireland, and Korea have opted to take the credit for accelerated encashment as a supplemental contribution. Canada, Unites States, China, Mexico, France and the Netherlands have opted to take a discount against the contribution currency.

d/ For those Contributing Participants that do not have a basic share, this represents the agreed minimum contribution of SDR 4 million.

e/ This represents pledges from Contributing Participants whose internal governance and budget processes are not sufficiently advanced to allow pledging at the final replenishment meeting, but where pledges are expected to be confirmed as soon as possible. This represents an indicative amount calculated by the Trustee, and does not represent pledges by the Contributing Participants. Pledge amounts are to be determined by the Contributing Participants and confirmed to the Trustee soon

f/ This represents an indicative amount calculated by the Trustee, and does not represent pledge by the Contributing Participant. Pledge amount is to be determined by the Contributing Participant and confirmed to the Trustee.

g/ Of the total amount of the United Kingdom's pledge, twenty percent is conditional upon completion of the policy measures as agreed in the GEF-7 summary of negotiation (document reference: GEF/C.54/19)

h/ Investment income is projected using an average cash balance of USD 3.48 billion and estimated investment return of 1.08% per annum.

i/ This amount represents unallocated paid-in resources and investment income in the GEF Trust Fund (excluding amounts for which commitment by the Trustee is deferred under any prior replenishment of the GEF Trust Fund). It also includes expected reflows from Non-Grant Instrument and anticipated cancellations of projects from previous replenishments.

j/ This amount comprises Instruments of Commitments not yet deposited plus arrears (late payments under deposited Instruments of Commitments or Qualified Instruments of Commitments) from previous replenishments.

k/ This SDR amount is equivalent to USD 4,068 million using the agreed GEF-7 reference exchange rates.