ANNEX 1

GEF 2020 Strategy – Comments from the STAP (October 2013)

Thank you for giving STAP the opportunity to comment on the draft vision for 2020 "Strategy paper for the Global Environment Facility" (dated September 4, 2013). We hope our comments are helpful, and we look forward to assisting the GEF in realizing this exciting vision of the future. The general comments of STAP Panel members are summarized below, and these are followed with more specific comments.

General Comments

Drivers and the Approach to Causality

Overall, this is a comprehensive analysis of current drivers of environmental change, and the narrative is quite accessible. It sets the context for GEF 6 and builds a case for shifting the GEF entry point further upstream. STAP notes and can see some rationale for the focus on drivers. This concurs with a number of recent assessments and with the CBD Strategic Plan. It coincides closely with the focus of the Conceptual Framework of the recently launched Intergovernmental Platform on Biodiversity and Ecosystem Services IPBES, which places emphasis on human demands and institutions as underlying drivers of environmental change; as well as the Blue Ribbon Panel of the Global Partnership for Oceans. At the same time, it is appropriate that pressures are not completely de-emphasized and there is an explicit acknowledgement that underlying drivers and immediate pressures have to be tackled in combination. 'Capacity building' should continue to be a central effort of the GEF in the coming years. Clearly one case for change that needs to be given greater emphasis is the 1-2 "bottom" billion people that lack access to basic water supply, sanitation, health and livelihoods (page 4). This deserves more attention than just being noted as a driver.

However from a more 'macro' view of things, one can see a need for thinking beyond drivers. Many of the "megatrends" mentioned in the document are not new, though certainly these trends have existed for the more than a century now – whether it is population growth or growth of the "middle class". However what is new is the fact that conventional approaches to tackle them may have reached their limits (and may no longer be effective). This moves the discussion from a debate over the "problem space", into a discussion of the "solution space". In that sense there is really nothing new added by the discussion of drivers and stresses.

Therefore, more thinking and critical thought of the solution space is needed. The document, for example, goes through details of drivers and pressures, but what are the relevant attributes of the solution space? How do we think about solutions? Science has something to tell us about the problem space, but it also has something to tell us about the "solution space". This may require drawing on a broader range of disciplines, particularly from the social sciences – sociology, political science, economics, behavioral sciences & so on. One may also want to identify and look for framing & analytical constructs that might help generate multiple benefits, multi-metric valuation etc.

STAP believes the causal chain (page 20) concept needs further explanation, as the "direct and indirect drivers" and "pressures" (see Exhibits 7 and 14) are quite complex. The main audience (GEF recipient countries, GEF Council, Agencies, business stakeholders, etc.) may also have difficulties following all these connections. In the discussion of upstream drivers, perhaps there should be more emphasis on addressing consumption patterns, governance and behavior. There is some passing mention of these as brief examples in the text and in Exhibit 14; however there is relatively little attention compared with reducing the side effects of consumption. In addition, the issue of poverty as a root cause for environmental degradation (and concomitant support for sustainable economic development) should be a key element in the causal chain analysis.

Knowledge Management

STAP applauds the renewed emphasis on knowledge generation and leadership in this area (for example on pages 30,41, and within Annex IV (page 72-80). The realization that an updated approach to knowledge management is an essential tool to scale up GEF's impact and to greatly improve the efficacy of its interventions is welcome. This is a much needed change, and one for which STAP has long advocated. STAP welcomes, for example, the use of GEF case studies to illustrate points in the

narrative (which could be expanded). However, there is a need to know what projects have actually achieved environmental and social benefits beyond the normally reported results and outputs. This is explored under "close the feedback loop" (page 48), which STAP endorses. It is important to measure actual "outcomes" and "impacts" as well, and to develop metrics for these. Making progress on this will help to correct a weakness of GEF to date, i.e., the dissemination of lessons learned, good or bad. There is a wealth of information from past projects that could be mined to quantifiably assess co-benefits, pitfalls in implementation, ways to avoid failures, etc. This could lead to a set of "best practices".

Competent management of knowledge is also critical if one wishes to explore scalability of interventions. There is opportunity for scaling up if key past projects are analyzed and the lessons learned are heavily promoted. In that case, replication can start soon – without waiting for new projects to be completed. Concomitantly, what appears to be missing is how an effort towards scalability will match with the present STAR allocation process. It is briefly mentioned (page 46), but only tentatively. While the notion of "scaling up" is welcome (page 18), this idea must be explored in conjunction with regional context and regional differences. This is a key issue - more emphasis should be placed in the Vision on how to gain greater replication. Critical interventions, in order to be cost-effective and high-impact, may need to differ between major regions of the world. Replication and impact at a systems level is also key, and this is noted under "impetus for change" (page 18).

Carrying on from this idea, the STAP agrees that innovation, scale, impact and cost-effectiveness are all desirous: but there is no recognition that these four attributes are not always achievable at the same time, and may in some cases be conflicting. For example, a strategy that seeks the lowest \$/tCO2 may not be particularly innovative. Some careful thought is required about the appropriate metrics for success for the GEF as a whole. Catalysis should also be considered as being critical, given that the GEF is one among a growing number of players in the landscape of environmental finance. In this sense, the strategy needs to be explicitly more differentiated – differentiating between areas where the GEF is the only player, and those where the GEF is one of many players. Articulation of comparative advantage and positioning is particularly important in climate change – both mitigation and adaptation. Having the hard knowledge at hand to articulate and verify the comparative advantage of the GEF, is also a point that should not be lost.

STAP agrees with the proposal to identify a set of core indicators to be applied uniformly across projects, programs and focal areas] and would welcome the opportunity to work with GEF Secretariat and other members of the GEF family to develop and select suitable indicators. These core indicators could serve to encourage synergistic interaction in pursuit of sustainable delivery of global environmental benefits, and facilitate evaluation of progress towards this goal.

Conceptual Framework

The analysis is heavily based on the "planetary boundaries" conceptual framework. This is acceptable and understandable from a communications perspective – provided however there is an acknowledgement that such a framework has limitations.. The scientific evidence behind this framework is weak in some areas, in particular for biodiversity and chemicals. The planetary boundary concept has in addition been difficult to scale down to the national level in a meaningful way. The discussion on **page 14** that states "There is a growing recognition that environment and development are interdependent— not competing— objectives" provides a more nuanced approach.
.   While the planetary boundary framework may have been extremely helpful in focusing the GEF on future needs, the description may be too lengthy, and this is one place where the text could be trimmed. It is adequate to mention this concept once in the case for change section.

This discussion also notes the implications of planned infrastructure investments. STAP recommends that this analysis mention the potential lock-in effects of such investments and unforeseen impacts if not fully evaluated over the expected lifespan of these investments.

Governance

The draft 2020 Strategy does not speak of governance, political economic issues, and civil strife as causes for environmental degradation. These issues are important barriers to add to the five barriers currently noted in the draft. The GEF partnership is, in many cases, working in environments that are post conflict and where the governance and institutional frameworks are weak at local, national,

regional and global levels. A future strategy should be sensitive to and understand these issues. . A future GEF strategy should be sensitive to and understand these issues and include a discussion on how to understand the political economy of nations and regions.

Priority Setting

The current paper raises "priority" in various contexts. However, there is very little on how priorities for intervention are to be determined. It may be relatively easy to prioritize within a focal area, but there are few tools available to assess, on an integrated basis, the priority issues in a cross-focal arena, nor in the Signature programs. Methods for supporting priority setting mechanisms should be identified, adapted, and/or developed, assuming there is a need.

Apart from setting priorities, there is much in the document about the "what", but much less about the "how". Many ideas are mentioned, but the way in which they may be implemented is not spelt out. Consequently there is an open question about whether the strategy is actionable.

Role of the STAP

Finally, and quite importantly, the current paper is relatively silent about the role of STAP in the new strategy. While STAP is cited on a number of occasions in the first sections as a source of ideas, evidence, etc., its role is then mentioned only very briefly at the very end of the document in the "Path Forward" section. The concrete roles that STAP could play remain unclear. The roles of the GEF Secretariat and implementing agencies are mentioned in greater detail. This is puzzling, considering STAP is in a prime position to facilitate the new knowledge generation function as proposed in the document, and to help with programmatic and project design. STAP members are linked into scientific networks in developing countries and CEIT, thereby adding a dimension of learning from local knowledge and expertise to aid in decision making and prioritization. STAP would welcome an opportunity to explore how the document could reflect the potential roles of STAP in a more prominent and detailed way.

Further Detailed Comments (in order of page number)

1) In the Preface **(**page 2) there is a mission statement –"The GEF's core mission is to help ensure the sustainable use of ecosystems and resources, upon which all life depends". Is this quoting from somewhere else (we could not find a mission statement online), or a newly articulated mission? To the sentence that follows, "Our premise is that the environment is an essential pre-condition for sustainable development and are we committed to work that is both people-centered and planet-sensitive", we suggest you add "the health of" before "environment" .

2) The statement "While working at the individual country level" put forward in the vision statement (page 3) does not capture the fact that many of the GEF investments already tackle regional collective action issues such as ocean governance and large marine ecosystem (LME) management. Current interventions in this space are geared towards regional single and multi-purpose organizations and evidence points towards the need for more regional action to address environmental degradation in several areas.

3) Section 1 (page 7): "the case for change" lists the major environmental issues of today as "emerging challenges" – however most are not really new, so are really "growing". These largely coincide with those identified in STAP's paper presented to the First Replenishment meeting (chapter IV) and our current focal areas; but there are some notable divergences. Nitrogen pollution is singled out in the Vision 2020 list, but land degradation is largely invisible – land is mentioned as being at risk from chemical pollution; agriculture is listed as a

threat to water ecosystems; but there is no clear identification of the decline in soil health as an environmental challenge. STAP suggests that land degradation and/or loss of soil fertility/health should be added to this list.

The strategy should reflect upon the fact that for freshwater and ocean governance we lack global conventions and that the oceans are the largest ecosystem with no agreed multi-dimensional governance and management frameworks. The GEF is the only public financing entity that can tackle these challenges and support collective action. Today, and we hope in the future, the GEF will also finance global environmental benefits for areas such as International Waters that are not (yet) supported by global conventions.

4) In Exhibit 1 (page 8), why does "non-GEF" only appear on some graphs? In some cases it may be too hard to measure (e.g., GHG emissions) but it is also important not to give the impression that the GEF is the only contributor. It is also important to clarify that the GEF may contribute only incremental funding to the activities already supported by other sources of co-finance.

5) **The section** "Growing nitrogen pollution threatens freshwater and marine ecosystems" (page 9) should be changed so that it addresses the fact that it is about "nutrients" including nitrogen as well as phosphorus.

6) In Exhibit 3 (page 11), the figure of 60% of the total number of ecosystem services (15 out of 24) being degraded gives no account for their individual weightings - e.g., it assumes provision of wild food is equivalent to fresh water. Perhaps there is a better way to present it.

7) In addition, in Section 1 under the discussion on "population growth" (page 12) STAP suggests that the issues of water supply and climate change impacts be added to this paragraph. In the subsequent paragraph under "global middle class", it is suggested that the differing time lines – 2030 and 2050 respectively in this statement - are not necessary and may be confusing.

8) In Exhibit 4 (page 13), the unit of measurement "QBTU" (Quadrillion British Thermal Units) is not understood anywhere outside of the US. We propose that the International System of Units (SI) be used throughout – e.g., use EJ (exajoules) in this instance.

9) In Section 2, the last line (page 20) needs a subtle but meaningful rephrasing. It is not the goods and services, but the processes that supply them, that give rise to environmental pressures.

10) The logical consistency of Exhibit 7 (page 21) decreases from right to left – and it is not clear what it is trying to portray. Whereas the three major indirect drivers (second column from left) are clearly identified, the pressures column (second last column to the right) is a mixed bag of causes and consequences. For example, species loss is clearly a consequence of other things in the same column, e.g. change in habitat, over-exploitation, sometimes introduction of invasive species. What people actually desire for quality of life is not apparent (e.g. comfort, shelter, mobility, health, entertainment, etc). For instance, we don't want electricity as such but rather the energy services it provides. It seems fairly obvious that human demands result in environmental impacts - but there is no indication of how behavior, education, cultural differences are also involved in this analysis. Are the Impact and Response categories omitted intentionally? If so, perhaps the logic needs to be better explained.

11) The draft Vision states that "There is no universally accepted framework for defining the causal chain between the underlying socio-economic trends and the global environmental state" (page 22), yet the DPSIR framework and variations thereof (as partially illustrated in Exhibit 7) are widely recognized. While there is no universal acceptance of the causal links, there is indeed wide acceptance of the framework, despite some small variations in its application. The sentence should be reworded to acknowledge this. The draft continues on this page to say that "we draw a more nuanced distinction between indirect and direct environmental drivers". Who is "we" in this statement? This is not the first time a distinction between direct and indirect drivers has been drawn. Also on this page, 3rd paragraph line 3 states "Similar causal chain". Similar to what?

12) It is good that the Strategy document makes reference to the STAP crosscutting paper (page 25). However, the statement misrepresents the paper by saying it shows that " by dealing with challenges across energy, urban areas and agriculture we can yield multiple global environmental benefits". This should be reworded to better reflect the central message of the STAP paper, i.e., that integrated action *across focal areas* will improve the effectiveness and efficiency of the GEF in delivering global environmental benefits. In the paper, STAP proposes a novel conceptual framework incorporating four overarching themes aligned with the key goals of sustainable development (green cities, smart food systems, healthy oceans and coasts, resilient ecosystems), as a strategy to enhance the capacity of the GEF to support the global sustainable development agenda through its focal areas.

13) Exhibit 9 (page 26) is based on sectoral categories that do not align with the familiar UNFCCC sectors. Therefore they need explanation. For example, what is included in "Buildings"? Does "Food production" equate to the agricultural and fishing sector, or does it include other parts of the food supply chain such as processing that is normally included in industry? Why is biofuels classified in "Other industry" rather than in "Transport"? What is the deep green cell at the base of the land use change column? The text describing Exhibit 9 implies that the figure represents the current situation, yet the footnotes suggests GHG emission estimates are for 2030, and footnote 1 indicates that the Materials figures are for China alone, rather than global. These details need to be clarified. The sentence immediately below Exhibit 9 needs rewording to clarify, and presumably "tacking" is intended to say "tackling" or perhaps "tracking"?

14) Exhibit 11 (page 28) is not clearly explained. How is water scarcity defined and assessed?

15) Concerning Exhibit 13 (page 32) the expert qualitative assessment ranking soy cultivation impact on biodiversity as "low" is surprising. This might be so at the global scale, but it is certainly not the case (both in absolute terms and compared with other food items) in Latin America. A cautionary/explanatory note added to the description of this Exhibit would be useful, in terms of the scale, assumptions, whether diversity is mammals, plants, endemics, etc. Even better (if the data is available) would be to split it into major regions of the world. Otherwise it might raise more criticisms than awareness. Also, we assume that the CO_2 column should be headed "Greenhouse gases" and not just "CO_2". There are also other anomalies - e.g., why is wheat high for CO_2 emissions, yet corn is moderate? And what exactly does "biomass" mean here? – it is a very broad term and so needs defining.

16) Under the section "Awareness and behaviour" (page 34) the term "intermittent renewable energy" is used incorrectly – it should be "variable" as intermittent implies being in a state of "on" or "off" and this is not the case for wind, wave and solar.

17) In the Conclusion paragraph (page 41) presumably a proposed future approach is being discussed, yet it is expressed in present tense. Logic is not clear.

18) The origin of these "two critical principles" (page 42) is not clear and they are not expressed as principles. Rewording is suggested.

19) Section 4, "The Path Forward" (page 42) is the least satisfying in this paper because it reads like business-as-usual for the GEF. In addition, the expression "knowledge ecosystem" seems technically untenable. It would be fine as a metaphor for communication in certain contexts, but is not clearly justified in a strategy-statement of a leading science-based institution such as GEF. Surely another, more technically appropriate and accurate term can be found to describe this new knowledge entity/vision. The definition is also not very clear: "Our knowledge ecosystem consists of our collaborative network of partners, the knowledge we collectively generate, and the ways in which we employ that knowledge become better are designing interventions with a high likelihood of generation significant and scalable environmental benefits across our programs." (page 49). Not only are we already spreading our resources thinly within the focal areas, but within each project there are also sub-projects that tend to be unfocused, overly ambitious.

20) The statement "Agricultural, rangeland, and forest landscapes affected by desertification and deforestation ultimately become unproductive" (page 43) is a bit muddled. If "deforestation" was substituted by "land degradation" it would make more sense.

21) Another relevant example of "Ecosystems" (page 63) is coal seam gas extraction, leading to clearing of protected forests and loss of productive land, and contamination of groundwater.

22) Annex 3 "Operationalizing Private Sector Engagement" (page 65) focuses on the role of the private sector and the need for renewed engagement from the GEF. This is logical, given the private sector is the source of the majority of externalities apparent in the drivers of environmental change, as described in preceding sections. What is suggested by way of possible strategies moving forward, however – whether in the focal areas or signature programmes – appear to be relatively straight forward initiatives, many of which are site based and most are already under implementation, thus suggesting a "business-as-usual" approach. There appears to be a mismatch between the nature of the problem described in this paper and the future solutions suggested.

23) In the section on "measuring what matters" within Annex IV (page 73), surely periodic in-depth ex-post analyses will be helpful. Another very important element that deserves more attention here is the fact that projects need to be designed from the start in a way that will allow better monitoring of impact, and better usefulness for more general learning. The role of experimental and quasi-experimental design is mentioned later on in the section, but one might posit that the design of projects in a way that provides maximum learning goes beyond experimental design.

24) The paragraph on staffing (page 75) may be more appropriate in an operational planning document.

25) There is no Exhibit 50 (page 77, 2nd paragraph, line 3)–should this be Exhibit 30? The text referring to Exhibit 30 (page 78) discusses perceptions of knowledge management capacity, yet Exhibit 30 is a chart of publications. It does not appear to support the text. The relationship between the chart and its title is also not clear (how do the contents relate to user needs?)