



ALLIANCE OF SMALL ISLAND STATES

# SUBMISSION

**TOPIC:** COP & CMA GUIDANCE TO THE GLOBAL ENVIRONMENT FACILITY ('GEF')

## MANDATE(S)

UNFCCC 1992: *'A mechanism for the provision of financial resources on a grant or concessional basis, including for the transfer of technology, is hereby defined. It shall function under the guidance of and be accountable to the Conference of the Parties, which shall decide on its policies, programme priorities and eligibility criteria related to this Convention. Its operation shall be entrusted to one or more existing international entities'* (Art 11[1])

Decision 1/CP.21: *'[The COP] recommends that the [CMA] shall provide guidance to the entities entrusted with the operation of the Financial Mechanism of the Convention on the policies, programme priorities and eligibility criteria related to the Agreement for transmission by the Conference of the Parties'* (Para 61)

Decision 13/CP.25: *'[The COP] invites Parties to submit to the secretariat via the submission portal, no later than 10 weeks prior to the twenty-sixth session of the [COP] (November 2020), their views and recommendations on elements to be taken into account in developing guidance to the [GEF]'* (Para 14)

## SIDS INTEREST(S)

- Predictable and adequate levels of finance for small island developing States ('SIDS') under the GEF Trust Fund, SCCF Trust Fund, & CBIT Trust Fund
- Simplified access to climate finance
- Direct access to climate finance
- Improved representation of SIDS as a group on the GEF Council

## RELEVANT SIDS INFORMATION

- GEF invested USD 1.37 Billion in SIDS between 2006-2018 across all focal areas (i.e. climate, biodiversity, land degradation, chemicals, pollution)<sup>1</sup>

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<sup>1</sup> GEF IEO, 'Strategic Country Cluster Evaluation (SCCE) Small Island Developing States' (2019) pg 1

- USD 233 million in System for Transparent Allocation of Resources ('STAR') Allocation to SIDS (i.e. 39 countries) for GEF-7 (2018-2022)<sup>2</sup>. This is broken down in:
  - 43% - Pacific
  - 37% - Caribbean
  - 20% - AIS
- 85% of the GEF SIDS Portfolio is implemented by only three international Implementation Agencies (i.e. UNDP [51.4%], UNEP [23.4%], and the World Bank [10%])<sup>3</sup>
- 'Pledges and contributions to the SCCF continue to fall short of programming needs, limiting the ability of the GEF to address the CCA needs of highly vulnerable non-LDC small island developing States (SIDS)'<sup>4</sup>

### Relevant Independent Evaluation Office Findings

- *'As a result of the second round of expansion, Agency choice has increased for the GEF focal area and most recipient countries. However, the chemicals and waste focal area, small island developing states, and fragile states are relatively underserved.'*<sup>5</sup>
- *'The expansion of the GEF Partnership to 18 Agencies has so far not made much difference to Agency Presence in SIDS. This finding is consistent with the IEO evaluation of the evaluation of the GEF Partnership. It remains to be seen whether and how this opportunity of expansion is utilized by SIDS'*<sup>6</sup>

## **VIEWS AND RECOMMENDATIONS ON ELEMENTS TO BE TAKEN INTO ACCOUNT IN DEVELOPING GUIDANCE**

### General / Preambular Text

- Recall that the availability and accessibility of adequate and predictable finance is essential for developing countries, particularly ramp up ambition and begin to aggressively pursue implementation in an effort to keep the goals of the Paris Agreement within reach
- Recognition that agreement to the Paris Agreement's temperature goal of pursuing efforts to limit the increase of the global average temperature to 1.5

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<sup>2</sup> GEF IEO, 'Strategic Country Cluster Evaluation (SCCE) Small Island Developing States' (2019) pg 9

<sup>3</sup> GEF IEO, 'Strategic Country Cluster Evaluation (SCCE) Small Island Developing States' (2019) pg 54

<sup>4</sup> GEF, 'Report of the Global Environment Facility to the Twenty-Sixth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP Report)' 2021, p xi

<sup>5</sup> GEF IEO, 'Evaluation of the Expansion of the GEF Partnership' (2018) pg vii

<sup>6</sup> GEF IEO, 'Strategic Country Cluster Evaluation (SCCE) Small Island Developing States' (2019) pg 54-55

degrees Celsius but holding said increase to well below 2 degrees Celsius was a compromise made by developing countries, particularly SIDS.

- Recognition that SIDS implicitly agreed to experience loss and damage at a certain temperature scenario (i.e. 1.5 degrees Celsius or well below 2 degrees Celsius) on the condition that adequate and predictable support would be received to adapt to these adverse effects as well as support our loss and damage response efforts to said effects.
- Further noting with concern that the current UNFCCC NDC synthesis report, global average temperature increase is projected to exceed the 1.5 and well below 2 degrees Celsius temperature increase limits very soon based on the current level of ambition. There is a clear need for adequate and predictable loss and damage response finance commensurate to the exceeded temperature increase scenario.
- Recalling of the importance of appropriate burden sharing among the developed country Parties in the implementation of climate finance obligations including in its contributions to the GEF<sup>7</sup>
- Recognition of the inadequacy of GEF's project funding since 1991 (USD 9.6 billion<sup>8</sup>) for climate change response in comparison to the trillions being spent on the root cause of climate through financing of, inter alia, fossil industry subsidies and support. It should be noted that this current state of play exposes developing countries Parties, particularly SIDS, to large political and transition risks.
- Urge/Invite the Council to recommend to the Assembly that they designate 3 recipient constituencies for SIDS on the Council at their next Assembly meeting
- Coherence with other climate finance support providers standards (including international finance institutions, climate funds, bilateral support providers, etc.). This should be done through simplified procedures for approval, access, and implementation across the board.
- Encouragement of Parties to submit projects that cover approaches to address loss and damage.

## Policies

- Increase STAR Allocation floor for SIDS to at least USD 10 million
- Increase the amount allocated to climate change focal area under the GEF-8 to support increase in ambition and implementation

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<sup>7</sup> United Nations, UNFCCC 1992, Art 4(3); UNFCCC, *Paris Agreement 2015*, Art 9(1)

<sup>8</sup> This is total is disaggregated between: USD 6.8 billion for mitigation; USD 1.9 billion for adaptation; USD 0.3 billion for the Small Grants Programme for climate change; USD 0.1 billion for CBIT; and USD 0.5 billion for enabling activities (as at 5<sup>th</sup> August 2021); COP Report, p 41, 49, 52, 68, & 81

- Opening a new round of Implementing Agency Expansion within the GEF Partnership focusing on national and regional entities particularly ones from SIDS

### Programme priorities

- Ensure access for SIDS to CBIT for capacity building and technology transfer through dedicated SIDS facility
- Establishment / designation of a dedicated SIDS facility for reporting under the Paris Agreement's Enhanced Transparency Framework to streamline access to support for reporting across the board, as well as to identify and collate data specific to SIDS. This facility should provide SIDS with the option to implement programmes (via direct or international access) for the purpose of completing to complete three (3) biennial transparency report ('BTR') within its implementation period. Each programme would be allocated at least USD 6 million in total (i.e. USD 2 million per BTR)
- Increase the ceiling for GEF Small Grants Programme for local NGOs to USD 200,000 per project
- Establishment / designation of the SIDS window under the SCCF Trust Fund for climate action with a minimum allocation floor of at least USD 10 million per SIDS
- Urge support providing countries to provide contributions to the GEF that are commensurate to the needs of developing countries, particularly SIDS. This should take into account the proposed programme priorities of this submission.

### Eligibility criteria

- Use of the multidimensional vulnerability index in the calculation of the initial STAR Allocation
- Reduction in co-financing aspiration and requirement for SIDS

### KEY REFERNECE MATERIAL(S)

- GEF Report to COP 26
- GEF IEO Strategic Country Cluster Evaluation (SCCE) Small Island Developing States
- GEF IEO Evaluation of the Expansion of the GEF Partnership