

Global Environmental Facility

Project Design and Review Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics

As the GEF adapts to the impacts the COVID-19 crisis is having on its business, we are proposing the following issues and actions to be incorporated/integrated/considered during the different phases of the project review cycle (PRC) of the GEF Trust Fund and LDCF-SCCF projects. We have focused specifically on the 4 important aspects of the PRC¹: PIF concept submission and review; CEO Endorsement preparation, design, and review; projects implementation; and, project monitoring and evaluation. While we are working in a very dynamic and evolving situation, we will continuously monitor the pandemic and its impact on GEF's business and adapt our response accordingly. This means that we may consider short term needs such as risk mitigation or longer-term actions such as "green recovery" and resilience building strategies and actions. Green recovery strategies and actions include investments in sustainable, inclusive, resilient, low-carbon, low-polluting, nature positive and circular economy-based pathway for society to withstand future shocks coming from climate change, natural and manmade disasters, and other global challenges.

1. General Considerations for GEF Projects and Programs

It is important that GEF projects and programs continue to follow the established programming directions, strategies and eligibility criteria for funding because this pandemic has reinforced the need and relevance of our environmental mandate more than ever. All existing focal areas and strategic programs can and will contribute to improve the global environment which in turn will help mitigate future pandemics and other environmental crises.

In the case of GEF-7, while we fully intend to continue implementation of the strategies, we recognize that there may be specific opportunities to integrate green recovery and resilience principles into projects and programs to ensure that the GEF financing will deliver Global Environmental Benefits (GEBs) and climate change adaptation benefits. This should be done with new projects as well as incorporated into the design of recently approved ones.

Most if not all focal areas lend themselves to green recovery and resilience, but the actual principles will be reflected in the projects interventions and designs themselves. In other words, GEF will look to exploit opportunities when they arise. Similarly, climate change adaptation projects will be supporting resilient livelihoods and infrastructure to support green recovery and future resilience. Engagement with the private sector could be enhanced and opportunities for accelerating new "green" based businesses should be explored, depending on the sector and country, in incorporating green recovery activities into projects and programs.

While not being exhaustive, following are examples of green recovery and resilience elements for GEF's focal areas:

Climate Change

¹ We would also expect PIRs and other reports to the GEF to include reference to how projects are mitigating the impacts of COVID-19.

- Actions supporting decarbonization pathways including through zero- or low-carbon technologies, including e-mobility, and renewable energy and energy efficient technologies that also do not increase the use of harmful chemicals;
- Climate resilient infrastructure

Land Degradation

- Sustainable land-based and coastal zone solutions especially related to agroecology, climate smart agriculture, pastoralism, SLM, and landscape restoration, both generating multiple GEB as well as livelihood benefits and green jobs
- Introducing NRM practices that generate GEBs, food security and resilience to climate change with livelihood benefits;
- Secure supply chains, using circular economy approaches and water, food, energy and ecosystems nexus thinking.

Biodiversity

- Wildlife conservation and sustainable management;
- Other Nature-Based Solutions (NBS) type interventions;

International Waters

- Activities that increase water, food and energy security for people, by fostering healthy freshwater and marine ecosystems;
- TDA/SAP preparation/update considering covid-19 impacts and correspondent recovery;

Chemicals and Waste

- Activities that minimize human health risks while reducing land, air and water pollution

In addition to the focal area specific needs, the following options can also be considered in the context of delivering global environmental and adaptation benefits:

- Strategies and actions that enhance the sustainability of outcomes and the resilience of the project context, such as integrated planning and institutional coordination;
- Actions that produce ancillary benefits for people with special focus on marginal and underprivileged communities such as indigenous peoples and local communities (IPLCs), climate vulnerable communities, and women and girls. Care must be given to avoid increase potential exposure of these groups to COVID-19.
- Cross-cutting elements that build capacity in countries for remote project preparation and supervision and access to data and information; as well as increase capacities for remote work and stakeholder interactions; these action also will contribute to government and project staff safety and decrease the need for travel thus further decreasing carbon footprints of investments;
- Approaches that support feedback loops, the collation and dissemination of data, early warning mechanisms and identification of potential risks

2. Considerations for PIF Concept Review and PPG-CEO Endorsement Review

The GEF expects all new PIFs and CEO Endorsements to demonstrate a strategy or action framework for the COVID-19 pandemic. This should include an analysis of emergent “risks” and “opportunities” relative to specific context for the project. Of course, the level of analysis and detail for any of the issues listed below will vary greatly between a PIF concept and a CEO endorsement package. As well, some aspects of how agencies are considering the impacts of COVID-19 or taking advantage of some opportunities created by the crisis will be found in several parts of the documents submitted to GEF for review. The risk section of these documents will be key to capturing the response elements, but also other sections including those describing alternate scenarios and governance can contain some answers and considerations.

- A. **Risk Analysis:** ample consideration should be given to the risks that COVID-19 poses for all aspects of PIF concept and CEO endorsement packages. These include risks related to:

Availability of Technical Expertise and Capacity and Changes in Timelines

- Does the intervention have a plan in place to manage a possible re-instatement of COVID-19 containment measures?
- Government capacity as human resources are mobilized elsewhere;
- Change in capacity of other executing entities and the effectiveness of the overall project implementation arrangement;
- Limited capacity and experience for remote work and online interactions as well as limited remote data and information access and processing capacities that projects will need to strengthen
- Changes in project implementation timelines;
- Changes in baseline (both ongoing and forthcoming projects);
- Change in conditions of beneficiaries;

Stakeholder Engagement Process

- Mobility and stakeholder engagement, including where necessary risk mitigation measures for both project staff and stakeholders (with respect to stakeholders, agencies would need to pay special attention to groups who are typically marginalized such as women and indigenous peoples and local communities and how the advent of the pandemic has maybe made it even more difficult for them to be involved in project design and implementation. Look at how the stakeholder engagement plans are factoring this in to ensure that these groups can continue to be included);

Enabling Environment

- Government focus on environment during crisis;
- Government priorities during COVID-19 response (e.g. lockdowns to mitigate and contain spread; resources and personnel shifts, etc.);

Financing

- National debt/fiscal crises and impacts on GEF projects;

- Co-financing availability (co-financing from the private sector and governments, loan-based projects with MDBs);
- Price increase in procurement;

Future Risks of Similar Crises

- Agencies should consider more closely their ESS screenings and the potential for GEF projects to have adverse impacts that may lead to future pandemics. GEF Secretariat can scrutinize these more closely as well;
- Agencies should consider if there are differences between LDCs/SIDS and other recipient countries in their capacity to deal with COVID-19 and should we have any differential risk assessment; and
- Livelihood declines and population migration to rural areas increasing pressure on natural ecosystems and the risk of more contacts between human and wildlife.

B. Opportunity Analysis: In many cases the COVID-19 crisis can provide opportunities to showcase initiatives with significant potential to generate Global Environmental Benefits, including through NBS, and help in reducing the risk of emerging infectious diseases in the future, while increasing the resilience of the ecologic and socio-economy systems to weather them:

1) Can GEF projects do more to protect and restore natural systems and their ecological functionality? This also includes limiting forest fragmentation and in particular in high-risk areas based on what we know of potential future pandemics.

- Promote sustainable land uses that limit deforestation and human-wildlife contact;
- Promote BD mainstreaming across sectors;
- Promote sustainable management of the ocean and freshwater ecosystems and its resources;
- Support development of IWRM and Marine Spatial Plans to ensure local access;
- Promote the update of TDAs/SAPs to face covid-19 impacts guaranteeing at short and medium term an Integrated Water/Marine Resources Management at local, regional and international level.

2) Can GWP and/or BD projects working on regulating consumption of wildlife and markets for risky taxa support this action?

3) Can GEF projects include a focus on production landscapes and land use practices within them to decrease the risk of human/nature conflicts?

- Introducing NRM practices that generate GEBs and resilience to climate change with livelihood benefits;
- Increase resilience in supply chains and economic systems;
- Secure supply chains using circular economy approaches and water, food, energy and ecosystems, i.e. nexus thinking;
- Food security, considering biodiversity, land use, water/marine resources, safe chemicals management, energy efficiency approaches;

4) Can the GEF promote circular solutions to reduce unsustainable resource extraction and environmental degradation?

- Minimize waste that threaten GEBs by contributing to POPs and GHG emissions
- Avoiding/reducing marine and freshwater pollution which has risen dramatically during COVID19 due to rise in use of disposables, particularly in the medical and food sectors.
- Examine if there are other areas of potential GEF investments that can help in mitigating present impacts preventing future pandemics and vector-borne diseases (e.g. waste-water treatments).

5) Can the GEF innovate in climate change mitigation and in engaging with the private sector?

- Promote energy efficiency improvements and low- and zero-carbon technologies such as renewable energy and electromobility, while not increasing the use of harmful chemicals and ensuring the ability to recapture and recycle materials at the end of life;
- Promote local business development projects which improve resilience to climate change;
- Promote sustainable business practices that are bio-based, energy efficient and chemicals free (as far as possible).

3. Considerations for Projects Under Implementation

While the GEF recognizes that the COVID-19 pandemic is having significant human and economic toll in all GEF recipient countries and communities, GEF resources cannot be repurposed specifically for public health and economic stimulus actions. This is not the mandate of the GEF and donors have re-emphasized the relevance and importance of the GEF mandate to the present crisis. It may be necessary to examine on a case by case basis what projects may be at risk of not delivering on their proposed outcomes because of some of the same issues affecting new projects listed above. Existing GEF policies and guidelines allow for possible amendments or other changes to projects under implementation to ensure that these investments can adapt and fully deliver on their original goals. This will be examined in more depth with each agency and on a case by case basis. Furthermore, agencies should use the PIRs, MTR, and TEs to further communicate to the GEFSEC any relevant COVID-19 responses and considerations.

Considering that we may have to carry out co-financing analyses as we move onto the GEF-8 replenishment discussions, we may want to think about tracking how the pandemic and the resulting economic recession is impacting the materialization of expected co-financing (from public and private sectors) for projects under implementation, and how that may impact our GEF-7 analysis and targets for co-financing and investment mobilized. And in addition, whether there are any measures we can take (partially covered by focusing on opportunities).

4. Consideration for Tracking COVID-19 responses at the project/program level

As the focus of GEF Council and the impact and relevance of the GEF will be tied in the short-term to our collective response to the COVID-19 crisis, it is important that the GEF document the explicit features/response measures (and other topics above) that agencies are incorporating into the PIF concepts and CEO endorsement packages as we will want to report this to council in December and

beyond. Finding the right balance between our GEBs and core indicators and the need to develop temporary metrics on our COVID response will be key. These temporary indicators should include “ancillary benefits” such as people affected, jobs created, etc. A strong focus should be on marginal and underprivileged communities such as IPLCs and women and girls.

It is improbable that the portal can be redesigned in the short-term to include separate section on COVID-19 response, so these different responses elements will most probably end up being “diffuse” in the documents (PIFs and CEO ER) that agencies will submit. This means we will need to find a way to track this during formal review process. We suggest having a few tags included to the project taxonomy list in the GEF portal, to make it easy for tracking and reporting on COVID-19 related issues. Such tags may include the following two 1) Green/blue recovery and 2) COVID-19.

Preliminary ideas about metrics on COVID-19 response could include the following:

- Proportion of projects that have documented COVID-19 risks analyses as part of PIF concept and/or CEO endorsement packages;
- Number and/or proportion of projects where COVID-19 is an opportunity and what is this opportunity;
- Number and/or proportion (and/or type) of projects where principles of “Green/Blue Recovery” are integrated and used;
- Number and proportion of project that are producing ancillary benefits that help alleviate and mitigate COVID-19 impacts on people;
- Amount of GEF grant and co-financing supporting GEF eligible COVID-19 related investments; and
- Number of potential beneficiaries for improved COVID-19 recovery and/or resilience

As part of its formal review process, the GEF Secretariat will qualitatively and quantitatively track how these details are reflected in project documents. This includes:

- COVID-19 risk analysis and response measures
- Opportunities to support COVID-19 response in the short-term (e.g. job creation and training, local economic development, productivity improvements, improved access to essential services, public health benefits, etc.)
- Opportunities to support COVID-19 response in the long-term (e.g. strengthen supply chains, consistent with long-term decarbonization targets, avoid lock-in of carbon or energy intensive infrastructure, increase natural and economic resilience and adaptive capacity, protect natural capital, limit human-wildlife contact, etc.)