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The Importance of Forests for the GEF

Governments are confronted with a range of economic, ecological, and political choices in achieving sustainable forest management (SFM). Countries with forest resources face three major challenges: how to avoid further deforestation; how to improve management of forest resources and avoid practices that continue to degrade forests; and how to restore forest landscapes that have been degraded. Only by addressing these challenges simultaneously can the sustainable flow of forest goods and ecosystem services be achieved.

The GEF recognizes the critical role of forests in sustaining biodiversity and stabilizing Earth's climate. For that reason, in keeping with its role as financial mechanism of the Rio Conventions, the GEF puts forests at the core of its support to help countries implement the Conventions. The GEF supports all eligible countries in their efforts to enhance SFM.

Targeted forests can range from tropical rainforests, dry forests, and cloud forests to primary forests, peat forests, and mangrove forests. These forests can differ both in terms of ecology and degradation levels. Nevertheless, among the various types, the GEF emphasizes primary forests. These are particularly important due to their irrecoverable value and high potential to provide multiple environmental services and global environmental benefits (GEBs) for humanity.

Through its forest strategy, the GEF is uniquely placed to be an efficient partner of choice for national governments, donors, development agencies, civil society, and the private sector in preserving forest landscapes and their environmental services. Considering global policy changes, and emerging new initiatives and issues, the GEF's forest strategy has evolved over the past three decades. This document presents the GEF's long-term vision and the current strategic focus of its work on forests, which will be reviewed and updated during the GEF-9 replenishment.

The GEF is vital and relevant for global efforts to enhance SFM and continues to be a major source of financial support for preserving, managing, and restoring forests at global scale.

¹ The term "primary forests" is used here in a generic way and covers different definitions including intact forest landscapes, high ecological integrity forests, and old-growth forests.

Three Decades of Support for Forests

Maintaining and restoring the integrity and functionality of forest ecosystems is at the core of the GEF strategy to combat the planetary crises of biodiversity loss, climate change, land degradation, and pollution. Ensuring the health of forests is the most efficient way to store carbon and protect biodiversity in the long run. It is also a condition to meet the globally agreed objectives of the multilateral environmental agreements (MEAs).

In its work on forests over the past three decades, the GEF has applied the United Nations definition of SFM. This recognizes SFM as "a dynamic and evolving concept [that] is intended to maintain and enhance the economic, social, and environmental values of all types of forests for the benefit of present and future generations." To that end, it considers seven thematic elements as a reference framework: (1) extent of forest resources; (2) forest biodiversity; (3) forest health and vitality; (4) productive functions of forest resources; (5) protective functions of forest resources; (6) socioeconomic functions of forests; and (7) legal, policy, and institutional framework.²

Continuous evolution to adapt to changing contexts and needs

The GEF's activities in relation to SFM have continuously evolved over the past three decades. These activities are firmly linked to implementation of the MEAs and at providing GEBs. At the same time, the GEF portfolio of forest-related projects and programs has responded to changing contexts and emphases in international agreements and national needs. Consequently, it has re-visited and adjusted its strategy and approach every four years through each GEF replenishment.

Each cycle has both led and responded to progressive and evidence-based changes in the strategy. As a consequence, the portfolio has also evolved, especially by becoming more integrated, and investing more in projects and programs that involve multiple sectors and address multiple environmental benefits and geographic clusters of countries. Moreover, the GEF portfolio on forests has been run increasingly by multi-agency partnerships. To date, the most significant have been the GEF-7 SFM Impact Programs and the GEF-8 Amazon, Congo and Critical Forest Biomes Integrated Program.

Increasing support to SFM, and providing GEBs and associated socioeconomic benefits

Since its inception, the GEF has allocated an increasing share of its resources to SFM as a cross-cutting theme in its biodiversity, climate change, and land degradation focal areas, as

presented in Table 1.3 Investments have steadily increased; during the GEF-7 cycle, the GEF invested \$943.1 million in SFM projects (2018-22). This is consistent with the evolution of the GEF toward increased integration of sectors and MEAs in response to the interlinked nature of forest issues.

TABLE 1: Distribution of SFM projects and grants across GEF replenishment periods

	SFM Grants		SFM Projectes	
GEF Replenishment Period	GEF Grant (million \$)	% of Total SFM Funds	Count	% of SFM Projects
GEF-7	943.1	26%	157	25%
GEF-6	699.6	19%	104	16%
GEF-5	585.9	16%	67	10%
GEF-4	455.6	12%	129	20%
GEF-3	358.0	10%	75	12%
GEF-2	295.6	8%	62	10%
GEF-1	234.5	6%	28	4%
Pilot	82.7	2%	18	3%

From forest protected areas management to programmatic and integrated landscape approaches

For its first 15 years, the GEF primarily targeted isolated forest protected areas (PA) for countries' investments. This was considered a straightforward way to combat biodiversity loss and maintain forest cover for various ecosystem services. However, to satisfy the huge demands of a growing number of recipient countries, and to be more cost efficient, the GEF became more strategic in its support for terrestrial PAs. To that

end, it supported sustainable financing mechanisms at the national level and strengthened capacities of PA networks.⁴

At the same time, the GEF reflected on the definition of SFM beyond PAs. Which activities/ services in the context of its mandate would generate GEBs? The GEF decided it would not invest in any extractive activities beyond the level of community-based forest management and small-scale sustainable resource use, including eco-tourism. Clearly focusing on the conservation aspects of SFM, the GEF considered that work on

³ Evaluation of GEF support to Sustainable Forest Management

⁴ GEF-4 Focal Area Strategies and Strategic Programming

PAs alone would be insufficient to protect forests globally. Given that the drivers of forest loss and degradation were coming from outside PAs and often even outside the forest sector, broader approaches were clearly needed at landscape and jurisdictional levels.

Consequently, starting from GEF-4, the GEF began promoting SFM investments in integrated landscape approaches. These included PAs but went far beyond, considering and supporting forests outside PAs and activities outside forests. Following the 13th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP13) in Bali, the GEF launched the Tropical Forest Account that supported projects and programmatic approaches in the Amazon, Africa, and Asia, as well as global capacity building projects. To incentivize the participation of beneficiary countries in these more comprehensive approaches, GEF-5 introduced dedicated SFM Programs with a financial incentive. These programs increased the budget for national projects by 33% (in GEF-5 and GEF-8) or 50% (in GEF-6 and GEF-7) from the original GEF country allocation of resources (STAR).⁵ Such mechanisms have ensured that the SFM Programs were well subscribed and had a high visibility in the programming architecture of the respective GEF replenishment cycles.

The Tropical Forest Account (in GEF-4, including the first Congo Basin Strategic Program), SFM Programs (in GEF-5 and GEF-6), the Impact Programs (GEF-7), and the Integrated Programs (GEF-8) have been the main vehicles for achieving the GEF's SFM vision and implementing the GEF forest strategy.

From fragmented stand-alone projects to programmatic approaches focusing on major tropical forest biomes

The GEF-5 and GEF-6 SFM Programs were primarily working through national stand-alone projects. The Amazon Sustainable Landscapes Program (ASL) in GEF-6 made the first efforts to focus more strategically on impact. The ASL program brought three of the most important Amazonian Basin countries⁶ together for the first time to coordinate and create synergies on important aspects of ecosystem-wide management and development trajectories. The program has focused on designing and implementing collaborative approaches to productive and conservation land uses that improve livelihoods while preserving the ecological integrity, functioning, and global environmental value of this biome. Building on the success of GEF-6 and recognizing the need to include other similarly important geographies, GEF-7 enhanced this approach with the SFM Impact Program. This relied on a system-wide transformation strategy and increased the targeted geography with additional ASL countries. It included the second major tropical forest biome of the planet, the Congo Basin, and selected dryland forest landscapes.⁷

There are few places in GEF beneficiary countries with intact forest landscapes that allow for a more converted and comprehensive approach to SFM.

- 5 GEF System for Transparent Allocation of Resources (STAR)
- 6 Brazil, Peru, and Colombia, covering around 80% of the Amazon Biome.
- 7 Regardless of the GEF geographical/biomes priority embedded in specific programs, all countries can use their STAR allocation for forest projects outside these programs (but without the Integrated Program incentive and without access to the resources from the regional/global coordination projects).

The Amazon, the Congo Basin, and some other critical forest biomes, including dryland landscapes around the world, represent the last geographies where a different approach to long-term development must be urgently implemented at scale before it is too late.

We are close to tipping points. In the Amazon, scientists recognize that the functioning of the entire biome will not be ensured if forest cover continues to decrease below 75% of the original forest area. Indeed, the eastern Amazon has already passed this limit.

These biomes are globally important for biodiversity and carbon storage and provide livelihoods and subsistence to communities that rely on forests and agriculture for their survival.

As such, they qualify as "key ecosystems" where a concerted and integrated SFM approach can have a particularly high value. In these globally important ecosystems, we can change the trajectory of future development from natural resource depletion and biodiversity erosion to natural capital management, including of standing forests and productive landscapes.

These globally important ecosystems require integrated ecosystem-scale management to maintain their ecological integrity and functioning and delivering GEBs. Because of the scale of these biomes, a comprehensive and large-scale investment is needed. Fragmented and isolated projects will not be sufficient in these large ecosystems to maintain the integrity of these unique and globally important areas.



Alignment with the Environmental Conventions and the Global Forest Agenda

The GEF strategy on forests responds to multiple MEA guidance and promotes synergy between them.

The strategy is aligned with the United Nations Convention on Biological Diversity (UNCBD) COP decision highlighting the "exceptional importance of primary forest for biodiversity conservation" and "the urgent necessity to avoid major fragmentation, damage to and loss of primary forests of the planet." The strategy helps implement many of the Kunming-Montreal Global Biodiversity Framework (KMGBF) goals. In particular, it identifies targets 1, 2, 3, 5, 8, 9, 10, 11, and 13 through the following interventions: conservation of high ecological integrity ecosystems; restoration and expansion of PAs; minimizing the impact of climate change; sustainable practices and use of biodiversity; fair and equitable benefitsharing; and restoration and enhancement of ecosystem function.

In addition, the strategy aims to improve the policy framework and enabling conditions for forest conservation and management. To that end, it addresses incentives, subsidies harmful to biodiversity, and engaging the private sector (targets 14, 15, and 18) and development of

sustainable financing strategies for PA management and forest conservation (target 19). The strategy also contributes to achievement of targets 20 (capacity building) and 21 (data/information/knowledge management). In addition, most if not all forest-related programs and projects embed support to these targets as relevant to achieve higher-level program and project goals and objectives.

Similarly, targets 22 and 23 refer to the way the KMGBF is implemented at the national level. Target 22 focuses on equitable, inclusive, and gender-responsive participation, while target 23 focuses on gender equality. The GEF's policy framework on Indigenous Peoples and local communities (IPLCs) and gender equality ensures that all GEF investments in forests under the GEF Trust Fund will contribute to these targets.

By focusing on tropical and primary forests, the strategy aims at providing a significant and efficient contribution to the Paris Agreement goal of net-zero decarbonization by 2050. The UNFCCC COP28 global stocktake decision

included the need to halt and reverse deforestation and forest degradation by 2030. Protecting primary forests will constitute a major contribution to the "+" of the REDD+ Framework, a subject that has obtained limited attention from donors until recently. Promoting an adequate framework to increase resource mobilization through the programmatic approach, the strategy will also help implement Articles 5 and 6 of the Paris Agreement.

The overall approach is also aligned with several elements from the UNCCD, and especially the hierarchy of avoiding, protecting, and reversing land degradation.

As a member of the Collaborative Partnership on Forests, the GEF has aligned its forest strategy

fully with the work of this partnership to support the United Nations Forum on Forests (UNFF). The strategy also contributes to implementation of the UN Strategic Plan for Forests 2017-2030 under the UNFF and its six Global Forest Goals: reversing the loss of forest cover; improving the livelihoods of forest-dependent people; increasing the area of protected forest; mobilizing additional financial resources; promoting adequate governance frameworks; and enhanced cooperation, coordination, policy coherence, and synergies worldwide.

Beyond the Rio Conventions, supporting the transformation of small-scale artisanal gold mining (including the ban of mercury) and finding alternatives will generate benefits potentially accountable under the Minamata Convention.



The GEF Vision and Strategy on Forests

Vision

The GEF vision is that forests are preserved, managed, and restored, generating GEBs in response to the urgent climate, biodiversity, and land degradation crises, while empowering IPLCs.

The GEF envisions healthy landscapes where forests are vital elements to be managed for conservation or multiple purposes. Such landscapes provide a range of forest ecosystem goods and services at the local, national, regional, and global levels. It will align its mandate and pursue impact and efficiency, while considering the specificity of project-targeted areas and beneficiary countries. To that end, the GEF will continue prioritizing geographic and thematic elements that best contribute to implementation of the Rio Conventions and avoid any trade-offs between these Conventions. These priorities are demand-driven and the result of consultation of all stakeholders in the GEF partnership. They will be adapted as needed

through the GEF programming directions for each replenishment cycle.

Considering the insufficient recognition of primary forests globally in policy agendas, forest financing strategies and fora such as UNCBD, UNFCCC, and UNFF, the GEF will also strengthen conservation of tropical primary forests worldwide. To that end, it will increase awareness among governments, donor decision makers, and stakeholders of the importance of forests in combating climate change, biodiversity loss, and land degradation.

The GEF's vision for forests is also well aligned with important global initiatives such as the Glasgow Leaders' Declaration on Forests and Land Use. This aims to "halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting inclusive rural transformation."

Strategy on Forests

Raising global attention to primary forests:

Despite their crucial role in conserving nature and providing benefits to humanity, primary forests are lost every year at an alarming rate. According to UNCBD, over the last 20 years, we have lost 47 million hectares of high-integrity

primary forest and related biodiversity, whose value is irreplaceable. Nevertheless, their vital importance is little known, shared, and considered in global fora such as the UNFF, the Committee on Forestry, the Rio Conventions, and the SDGs. The GEF forest strategy therefore aims

at addressing the urgent need to raise the profile of primary forests in the global policy agenda and investment. This is a key solution for countries to achieve their goals in terms of climate change, biodiversity, and sustainable development.

Focusing on landscapes with primary forests:

The GEF supports all eligible countries in their efforts to enhance management of their forests, based on a country-driven process. However, it prioritizes primary forests and critical forest biomes due to their recognized high potential for generating multiple GEBs. This is especially related to biodiversity conservation, climate change mitigation, and land degradation. The GEF focuses on landscapes that include primary forests and reverse the dynamics that cause their loss or degradation.

Developing programmatic approaches to maximize results at scale: The GEF primarily supports forests through programmatic approaches, focusing on certain contiguous geographies. It focuses on maintaining the ecological integrity of entire and large-scale forest biomes by concentrating investments, and ensuring strong regional and cross-border coordination, knowledge management, and learning. Programmatic approaches add value through cooperation and coordination among countries, with the overall impact of programs being greater than the sum of their parts.

Targeting investments that generate impact:

Even if a broad range of activities is eligible for GEF support, some priority areas are identified to maximize benefits. These areas include addressing the drivers of forest loss and degradation with an integrated and systemic approach; improving the governance and

enabling environment to enhance conservation of forest landscapes; recognizing the full value of standing forests; strengthening the management and financing of PAs; and mobilizing finance and positive incentives for SFM.

Supporting restoration of forest ecosystems: As a complementary measure to forest conservation, the strategy supports forest restoration, including biological corridors. To that end, it promotes rational land-use planning across mixed-use landscapes; clarifies land tenure and other relevant policies; and improves food commodity production and subsistence agriculture to reduce pressure on adjoining forests. With GEF support, targeted forests can also serve as building blocks for restoration at landscape level.

Promoting integration for transformative

change: The cross-cutting nature of the work on forests could generate multiple benefits. The GEF's integrated approach has helped bridge institutional silos and will continue to support forests through multi-focal area projects and programs. This approach has played and continues to play an essential and groundbreaking role in integrating focal areas and different work streams under one common theme. To promote sustainable changes, the integrated approach will harness the key levers to achieve transformation: governance and policies, multi-stakeholder dialogues, innovation and learning, and financial leverage. Forests will remain at the heart of the GEF's integration and transformative agenda through a substantial and diverse portfolio of projects and programs, and extensive scope of forest activities. This will enable the GEF to provide multiple environmental and socioeconomic benefits.

The GEF Approach to Implement its Forest Strategy

Goals, Objectives, and Scope

The overarching goal of the GEF's forest strategy is to maintain, preserve, and restore the integrity and functioning of forest biomes, primarily in tropical areas. The objective is to invest in the protection and effective governance of globally important forests that sustain the health of the planet and flow of vital ecosystem services that underpin human well-being. Strategic objectives include combating deforestation and forest degradation, forest conservation, restoration, sustainable uses, and improved practices and governance. To achieve this goal, the strategy on forests is implemented through multiple vehicles across the entire GEF-8 programming architecture, including notably Integrated Programs (IPs).

In GEF-8, the main vehicle supporting the strategy is the Amazon, Congo and Other Critical Forest Biomes IP (the biggest IP, mobilizing \$306 million of the GEF grant). This IP focuses on specific critical forest biomes in the Amazon, Congo Basin, Indo-Malay, Meso-America, and Western Africa regions. In addition, the Food Systems IP, the Ecosystems Restoration IP, the Net-Zero Nature Positive Accelerator IP and the Wildlife Conservation for Development IP all incorporate key elements of the forest strategy in GEF-8. They consider all types of forests in eligible countries where their conservation and

sustainable management generates significant benefits for global biodiversity, climate, land, and people. Furthermore, several focal area objectives in the GEF-8 Programming Directions provide entry points for national, regional, and global stand-alone forest projects, addressing specific needs of eligible countries based on their specific context. Through these focal area objectives, the GEF can help countries not participating in an IP to implement the strategy on forests, expanding the geographical scope and type of interventions of the IPs.

The forest strategy also contributes to implementation of the international development agenda related to resources mobilization, relevant global platforms and initiatives, policy coherence, and coordination. This includes supporting GEF partners and countries to understand and plan for production levels that are needed to meet the demand for sustainably sourced forest products, while preserving or enhancing the ecosystem integrity of key forest biomes. It also recognizes the need to better understand the technical challenges embedded in the definitions and different approaches on primary forests by partners such as the Wildlife Conservation Society, the International Union for the Conservation of Nature, Wild Heritage, and

others. To this end, the GEF is developing strategic relationships with existing and emerging platforms and initiatives such as the Collaborative Partnership on Forests; the Forest and Climate Leaders Partnership; and the Country Packages for Forests, Nature, and Climate.

Investments that are not eligible for GEF support are activities that include a substantial risk of environmental trade-offs and that are not compatible with the GEF core mandate of serving the Rio Conventions. These include industrial logging of primary and intact forests. The inherent problems of logging concessions are the harmful effect on biodiversity, the frequent lack of transparency, and unfair benefit-sharing with local communities. Other ineligible activities include plantation forestry; plantation of exotic, fast-growing, or invasive species; and afforestation of ecologically valuable non-forest lands.

Theory of Change

To achieve the goal to maintain, preserve, and restore the integrity and functioning of forest biomes, primarily in tropical areas, the strategy supports the achievement of a series of outcomes. Together, these seek to bring about the transformative and lasting behavioral changes needed to achieve the vision of conserved, restored, and sustainably and inclusively managed forest landscapes. Interventions to address barriers are founded on the logic that the ecological integrity and functioning of forest landscapes can be maintained, and that the livelihoods of its resident populations improved through the following:

- Strengthening conservation under different protection regimes through the creation, effective management, and sustainable financing of PAs, Indigenous territories, and Other Effective Area-based Conservation Measures (OECMs).
- Enhancing sustainable production and landscape restoration by restoring degraded areas and using natural resources sustainably along biodiversity-friendly value chains, ensuring economic and social inclusion, within a landscape approach.
- Strengthening governance, policies, and an enabling environment for promoting

- conservation, restoration, and sustainable use in an inclusive and integrated manner; strengthening land-use planning, institutional and community governance; mainstreaming conservation and sustainable development criteria into policies and incentives; and promoting coherence within sectoral policies.
- Promoting capacity building, communications, and regional cooperation by fostering coordination, knowledge exchange, innovation, and joint regional interventions, both between countries and with other regional initiatives.
- Increasing global awareness of the importance of primary forests and their consideration in policies and financial strategies.

The scale and magnitude of challenges facing the world's forests requires radical shifts in how governments and businesses factor them into decisions. That shift is predicated on not seeing forests in isolation but addressing challenges in an integrated way. The GEF forest strategy embraces the following elements into a Theory of Change statement:

 IF policies to manage forests are informed by economic decisions including all externalities, by science and through an inclusive multistakeholder dialogue, and awareness of the value of high ecological integrity forests can be raised, THEN demand for coherent policies can be increased, the effects of perverse incentives can be eliminated, and private sector engagement can increase.

- IF institutional silos at the national level are bridged, and governments, private sector, and local stakeholders are adequately engaged and invested, THEN financial flows and assets needed to address the drivers of forest loss and degradation will be mobilized.
- IF forest conservation can be realized at competitive costs and if it yields sufficient

- benefit and return to local stakeholders and investors, THEN the real value of natural capital can be realized and internalized in local and national economies.
- IF the benefits from SFM can be communicated effectively and replicated nationally and globally, THEN new commitments to innovate and restore forest landscapes can be achieved at a scale necessary to transform the management of global forests at a timescale and magnitude sufficient to reverse the decline in global biodiversity, ecosystem services, carbon stocks, and increase resilience of livelihoods and ecosystems to climate change effects.

Priority Investments in Forests

The GEF-8 Programming Directions identified key interventions to implement the forest strategy. While the list is not exhaustive, it comprises the following:

Conserving ecosystems: Expand the coverage of PAs to safeguard globally significant biodiversity, carbon stocks and sinks, and improve ecological connectivity in the forest biomes (national, subnational, and transboundary); strengthen the management of existing PAs and their systems (national and subnational); promote OECMs and various nature-based solutions to achieve conservation outside the PAs. Biome connectivity: actions focus on connectivity of the forest and freshwater ecosystems and aquatic resources in critical forest biomes on which local livelihoods depend on for food security, transport, and water. Securing ecological connectivity and maintaining forest integrity also helps conserve important resident and migratory species that live in these forest biomes.

Restoring forests and lands: Restore degraded forest ecosystems, including peatlands; rehabilitate and restore food production landscapes, including through agroforestry, to reduce pressure on forests.

Integrated landscapes planning: Develop integrated land-use planning, including information and monitoring systems to prevent large-scale exploitation, reduce fire risk, avoid leakages, and improve management of ecosystem service flows; support conservation-friendly livelihoods at the local level; and improve the sustainability of the "productive" sectors to ensure compatibility with forest conservation. Different mechanisms can be explored, such as agreements, labeling, and sustainable certification plans (e.g., biodiversity-positive carbon credits and nature certificates). This includes the promotion of deforestation-free commercial commodities.

Enabling environment with adequate governance and policies: Strengthen multi-scale and multistakeholder governance and law enforcement for increased policy coherence on incentives and mechanisms to conserve forests and eliminate perverse subsidies; support science-based knowledge production and sharing on primary forests; support the conservation of forests in whole-of-economy approaches to implement nature-based solutions as part of national biodiversity strategies or to achieve net-zero greenhouse gas emissions targets; improve land, tree, and carbon tenure and develop supportive policies, especially the legal recognition of the customary rights and tenure security of IPLCs (e.g., free, prior, and informed consent processes, and Indigenous and Community Conserved Areas).

Increasing finance access and mobilization: Support and influence international dialogues on primary forests in relevant global fora and partnerships related to policies and financial strategies; support development of national strategies to conserve primary forests; develop financial and other incentives for forest conservation while promoting the elimination of perverse incentives that increase the pressure on forests; improve resource mobilization and contribute to the implementation of the international development agenda related to financial incentives to protect and restore forests, including payment for ecosystem services, blended finance, innovative and sustainable finance, the REDD+ Framework, carbon markets, nature-positive trade policies that reward forest conservation and restoration, and long-term financing of PAs. This also includes building synergies where possible with other partners and funds such as the Green Climate Fund, Adaptation Fund, and Least Developed Countries Fund.

Monitoring and Evaluation: GEF Indicators

The approach to monitoring and evaluation (M&E) for the forest strategy builds on the delivery of decades of GEF support and learning on implementing SFM investments. In collaboration with GEF agencies, the private sector, and civil society, GEF financing has built capacity and supported countries in generating data and evidence on SFM. This has allowed continuous improvement of the design and implementation of projects and programs, including more efficient interventions related to forest management, such as adaptive management. A growing number of Terminal Evaluations, including those supported by programs, have increased knowledge of what works.

For a strong focus on outcomes, the GEF supports and monitors implementation through

multiple channels. It introduced new mechanisms to support accountability, including the GEF-8 Results Measurement Framework (RMF) and its set of Core Indicators. Each umbrella program tracks in key results indicators that cut across child projects. Within each project, dedicated custom and context-specific indicators help monitor progress.

The RMF provides high-level outcome indicators to report on SFM. In so doing, it facilitates learning, promotes performance improvement, and enhances accountability on GEF effectiveness with relevant stakeholders. In this context, it tracks SFM through different results areas, as presented in the GEF-8 RMF Guidelines. These include identifying and monitoring the following Core and Sub-indicators:

- Terrestrial PAs created or under improved management
 - Terrestrial PAs newly created
 - Terrestrial PAs under improved management effectiveness, including through use of a Management Effectiveness Tracking Tool.
- Area of landscapes under improved practices
 - Area of landscapes under improved management to benefit biodiversity
 - Area of landscapes under third-party certification incorporating biodiversity considerations
 - Area of landscapes under sustainable land management in production systems
 - Area of High Conservation Value or other forest loss avoided
 - Terrestrial OECMs supported.
- Area of land and ecosystems under restoration
 - Area of degraded agricultural lands under restoration
 - Area of forest and forest land under restoration.
- GHG emissions mitigated
 - Carbon sequestered or emissions avoided in the sector of Agriculture, Forestry, and Other Land Use.
- People benefiting from the project or program (disaggregated female and male).
- People benefiting from the conservation, sustainable use, or restoration of biodiversity.
- People benefiting from sustainable land management and restoration.
- People benefiting from climate change mitigation support.

IPs use indicators that allow tracking programwide progress in managing forests sustainably. In GEF-7 and GEF-8, IPs raise the bar by ensuring that child projects aim for similar objectives. They also use similar key indicators that allow to gauge results at scale across all child projects. This work is taking place through dedicated efforts of global coordination child projects.

Projects can use custom indicators that allow more granular and context-specific reporting on SFM dimensions, with a focus on improving people's quality of life. The GEF encourages agencies to use available M&E resources to capture SFM progress in its multiple dimensions. This allows them to reflect the heterogeneity of SFM approaches while keeping monitoring and reporting efforts fit for purpose and manageable. To that end, projects must consider species composition and richness, and improvements in forest coverage, restoration, and connectivity. Project measurement should also extend to tracking socioeconomic benefits where appropriate because communities can bolster the durability of outcomes.

Geospatial information helps provide context-specific information. In 2023, the GEF launched the GEF Geospatial Platform, which features the location of 10,000+ activities covering 1,500 projects. This platform allows to overlay satellite imagery on forest coverage and other forest-related datasets, as well as to monitor the effects of project interventions through the use of before/after satellite imageries. In addition, GEF agencies are invited to share any relevant GIS information and document the extent of the forest area covered by GEF investments.

The seven dimensions of SFM are: (1) extent of forest resources; (2) forest biodiversity; (3) forest health and vitality; (4) productive functions of forest resources; (5) protective functions of forest resources; (6) socioeconomic functions of forests; and (7) legal, policy, and institutional framework.

Cross-cutting Elements Supporting the GEF Forest Strategy

Capacity building and transnational coordination and cooperation

Actions are aligned with relevant initiatives to avoid duplication and maximize technical and financial resources. Notably, in the IPs at the scale of river basins or shared ecosystems, regional coordination projects are designed to ensure actions are implemented to complement the national projects and develop a common vision and maximize the efficiency of a broader coordinated approach. Such actions provide opportunities for South-South learning, knowledge management, and technical exchanges; foster intergovernmental cooperation; use M&E tools and geospatial services; apply best practices and peer review; and develop portfolio-wide training and communication strategies.

Knowledge management

The new strategy for knowledge management and learning (KM&L) sets out four directions to strengthen the GEF's role as a knowledge broker and think-tank, while facilitating engagement in KM&L. These directions form the basis for pursuing the vision and objectives of KM&L in addition to investments in the three anchoring pillars of people, process, and systems. One strategic direction is the alignment of KM&L with GEF-8 delivery. It sets three action areas that will be targeted to: (1) strengthen the knowledge base for blue and green recovery; (2) harness IP platforms for increased learning and knowledge sharing; and (3) foster interactive engagement by GEF focal points.

Consistent with GEF-8 priorities, the target-specific areas of action include transformational and system-level change through the IPs; and core GEF-8 focal area strategies such as landscape/seascape approaches, nature-based solutions, payment for ecosystem services, and the growing problem of drought and land degradation in many parts of the world.

In particular, the Critical Forest Biomes IP includes a dedicated intervention promoting KM&L at scale: "Promote regional cooperation: South-South learning, technical exchanges, intergovernmental cooperation, knowledge management, and communication strategies" (GEF-8 Programming Directions, p. 45), including regional and global platforms. This regional cooperation could include exchange experience in using geospatial information tools for SFM; valuation of ecosystem service in SFM projects and programs; and sharing learning on social issues related to SFM including engagement of IPLCs, gender, and socioeconomic impacts of the projects and programs.

The GEF is continuously striving to strengthen the monitoring of socioeconomic benefits and to promote learning and knowledge exchange in the entire GEF project portfolio. It pays special attention to enhanced monitoring, the use of geospatial information, and knowledge management, including the publication of Good Practice Briefs.

Stakeholders' engagement of civil society organizations and IPLCs

The GEF has been working in partnership with IPLCs since its inception in 1991. This commitment is reflected in the GEF Principles and Guidelines for Engagement with Indigenous Peoples, the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards, as well the establishment of a GEF Indigenous Peoples Advisory Group, which provides guidance and partnership on GEF matters. The GEF work on forests is also at the crossroads of the different Rio Conventions, including the KMGBF. It includes human rights in all goals and especially integrates IPLCs into goal C on accessing genetic resources and associated traditional knowledge and equitably sharing benefits.

The forest strategy recognizes the role of IPLCs as custodians of biodiversity and the relevance of community-based approaches. It ensures their rights over lands, territories, carbon stock management, resources and respect for their traditional knowledge across all GEF-supported actions. Further, the enhanced GEF Small Grants Programme 2.0 in GEF-8 offers entry points and opportunities for broadening the small grants to work on SFM at the community level and with local stakeholders, including civil society organizations.

Given the indispensable role of IPLCs as stewards of land and forests, especially primary forests and their biodiversity, the GEF will encourage projects to support their actions for the conservation, restoration, sustainable use, and management of forests on a country-driven basis.

Gender equality and gender-responsive approaches

The GEF's Policy on Gender Equality adopted in 2017 is the key framework guiding the GEF partnership in addressing gender equality in projects and programs. Accompanied by a guidance document and an implementation strategy (2018), these documents support the GEF partnership's increased ambition to apply gender-responsive approaches to environmental challenges so it can realize multiple benefits for all people and the environment. The strategy on forests is guided by these documents, including lessons on gender mainstreaming from past pilot programs.

Given the well-documented and observed gender inequalities in the forestry sector, every program and project needs a gender analysis. This should identify and understand women's differentiated priorities, needs, and interests, and analyze how women and men are regarded and treated by customary and formal legal codes. The quality of gender analysis hinges on the methodology used, as well as the approach to gather data and information. Quantitative or sex-disaggregated data should be complemented with qualitative information gathered from key stakeholders that consider constraints women face such as language, time, literacy, and other cultural factors (e.g., some

In the design of the GEF-7 Congo Impact Program, for instance, representatives of Indigenous Peoples from the regional network, and IPLC representatives from several countries, took part in the initial workshop organized by the GEF to develop the outlines of the programmatic approach. They were further involved in the development of child projects and the regional coordination project. As a result, IPLCs are included in the direct beneficiaries of the work on integrated land-use planning with around 10,000 beneficiaries. Specific measures were also taken to reduce the risks of marginalization of IPLCs in project decision making. A specific component was designed for empowering IPLCs and forest-dependent people to sustainably manage forest resources.

women cannot speak out with men around them). Gender dimensions related to forest conservation and sustainable use should be integrated early into program and project design.

Given the above, the GEF forest strategy goes beyond considering women as beneficiaries. In the development of programs and projects, it involves them as critical and indispensable actors and change agents. The programs and projects endeavor to address norms, stereotypes, customs, laws, and other legal documents that hinder the full, equal, and meaningful participation of women and girls in forest management and conservation.

Private sector engagement

The strategy considers all relevant private sector stakeholders, at all scales, that have impacts on preserving forests' integrity through their economic and land management activities.

For the private sector, there is an important interest in landscape approaches combining a mix of activities to better manage the demandside pressure on primary forests. This includes restoration, conservation, protection, recreation, and production elements. As the demand for forest products increases in key sectors, the GEF is working to support sustainable supply through certification, traceability, and procurement. This includes in the production and sourcing of deforestation-free commodities such as soy,

cocoa, coffee, and palm oil, and the development of non-timber forest product value chains.

Such measures across the GEF's portfolio of IPs will support the global goals for SFM and reduce the economic pressures on critical forest biomes. This, in turn, will lead to deforestation and support a continuous supply of renewable materials for a bio-based economy.

Investors are seeking innovative ways to generate the types of up-front investment that can support production activities. At the same time, they want to widen the scope of investment outcomes to include restoration and conservation activities that can be incentivized through financial instruments such as sustainability-linked loans, green bonds, ¹⁰ and payment for ecosystem services.

The globalization of trade in agriculture and commodities has created complex interactions between geographically distant actors and actions at the local level to the global level. The ultimate drivers of environmental and social changes can be far from the places where many adverse impacts happen and where decisions on investment and resource allocations are made. Concerted action at the regional and global level to drive positive environmental and social changes is also needed. The GEF forest strategy, notably through the IPs, promotes the connection with different global platforms to improve cooperation, information sharing, and transparency.

¹⁰ The <u>Klabin sustainability linked bond</u> incorporates financial incentives to reintroduce two species that are proven to be extinct in the areas of operation and promote the population reinforcement of four more threatened species.

The Way Ahead

Building on three decades of experience in supporting countries to conserve, manage, and restore forests, the GEF will continue to support countries in achieving the Rio Convention's objectives and international commitments by leveraging the multiple benefits derived from SFM. Forests, particularly primary tropical forests, are indeed critical natural capital for meeting the Sustainable Development Goals, the objectives of the Paris Agreement, and the goals and targets of the KMGBF, especially in ways that benefit host countries and IPLCs.

Pursuing its goal of preserving the integrity and functioning of forest biomes, the GEF's forest strategy will contribute to protect irreplaceable primary forests; maintain and restore healthy and resilient forests; ensure their significant contribution to climate and biodiversity ambitions; and support livelihoods in forest, rural areas, and beyond. The GEF Secretariat will implement the strategy in close coherence with its other strategies within the GEF family of funds, including the Global Biodiversity Framework Fund.

The GEF will also continue to adapt to emerging issues and respond to the political context, Convention guidance, and country priorities. To do so, the GEF commits to working through a strengthened partnership and inclusive approach. It will notably involve collaboration with and support to major regional and international initiatives related to forests, including in the context of relevant MEAs, harnessing the GEF's convening power across boundaries and further establishing the GEF as a global major partner on forests. A perfect example of this strengthened approach is the GEF's active engagement in the One Forest Summit co- hosted by France and Gabon in Libreville, Gabon, on March 1-2, 2023. Of special note was its leadership role in the development of recommendations to unlock innovative financial mechanisms for biodiversity and forests.¹¹ In line with the strategy's focus on the protection of remaining primary forests, the GEF will cooperate closely with a broad range of actors on the 30x30 objective to catalyze and support the implementation of target 3 of the KMGBF that fully provides for the most critical forest ecosystems of the world.

The Global Environment Facility (GEF) is a multilateral family of funds dedicated to confronting biodiversity loss, climate change, and pollution, and supporting land and ocean health. Its financing enables developing countries to address complex challenges and work towards international environmental goals. The partnership includes 186 member governments as well as civil society, Indigenous Peoples, women, and youth, with a focus on integration and inclusivity. Over the past three decades, the GEF has provided nearly \$25 billion in financing and mobilized another \$138 billion for country-driven priority projects. The family of funds includes the Global Environment Facility Trust Fund, Global Biodiversity Framework Fund (GBFF), Least Developed Countries Fund (LDCF), Special Climate Change Fund (SCCF), Nagoya Protocol Implementation Fund (NPIF), and Capacity-building Initiative for Transparency Trust Fund (CBIT).

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