Accelerating Rapid Transition of Subsidies and Incentives (ARTSI) Grant Mechanism

Review CEO Approval and Make a recommendation

Basic project information

GEF ID
11855
Countries
Global (Colombia, Fiji, Philippines)
Project Name
Accelerating Rapid Transition of Subsidies and Incentives (ARTSI) Grant Mechanism
Agencies
CI
Date received by PM
9/30/2025
Review completed by PM

Program Manager
Dikshya Devkota
Focal Area
Multi Focal Area
Project Type
MSP

PIF
CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

DD 1/22/2026

Well noted. ITS will make the necessary changes to reflect the three project countries (Colombia, Fiji, and Philippines, rather than ?Global?) and check the innovation box. The Agency does not have to take action.

The Agency has identified this project as qualifying under the exception waiver *Global or regional coordination child projects for Programs, global or regional platforms for knowledge sharing and Umbrella Enabling Activities for a group of countries*. The project appears to qualify as a platform for knowledge sharing according to its objective and components aimed at TA: ?To design and pilot the Accelerating Rapid Transition of Subsidies and Incentives (ARTSI) grants mechanism to support subsidy reform and enhance policy coherence with respect to impact on biodiversity and climate change in the agriculture, forestry and fisheries sectors". This exception waiver request requires no further Manager approval.

SST and DD, 13 November 2025

Check the ?innovation? tab, given that this is a project funded by the GEF-8 Innovations Window.

CI identifies itself as an EA and it is not fully justified (see comments in another section).

Please also include the participant countries (Colombia, Philippines, Fiji) in the field 'Country(ies)'.

Agency Response

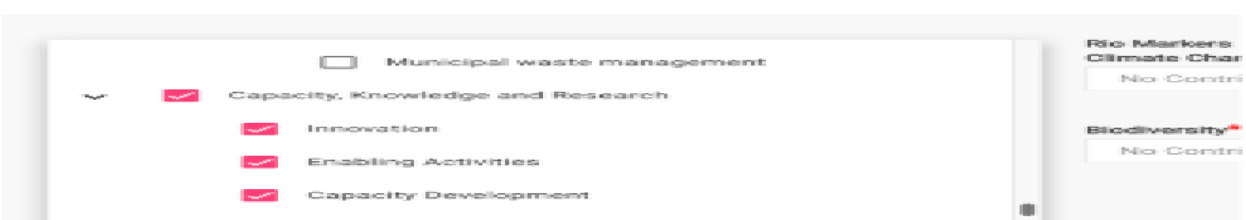
CI-GEF. February 05, 2026:

Noted.

Point on exception waiver is well noted.

CI-GEF. December 17, 2025:

Except under the Taxonomy field as shown in the screenshot below which was already checked last submission, there is no other ?innovation? tab available in the Portal. We would appreciate being directed where in the portal can we find the ?innovation? tab refered here.



Thank you for this review. We have provided additional information and created the exemption request following the Annex 7 guidelines: Exemption Request for dual role (d).docx. The exemption request is under (d) *Global or regional coordination child projects for Programs, global or regional platforms for knowledge sharing and Umbrella Enabling Activities for a group of countries.*

At the PIF approval stage, the Countries field was tagged Global. Please note that the portal does not allow inclusion of the participant countries at this stage, as shown in the screenshot below:

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

No comments.

Agency Response

2. Project Summary.

a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?

b) Does the summary capture the essence of the project and is it within the max. of 250 words?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

No comments.

Agency Response

3. Project Description Overview

a) Is the project objective statement concise, clear and measurable?

b) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

c) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?

d) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

e) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request
DD 2/20/2026
Thank you. We appreciate the flexibility and update of the M&E budget according to the guideline calculations and recommended threshold.

DD 2/19/2026
Please note that according to the June 2025 policy and the October 2025 guideline (https://www.thegef.org/sites/default/files/documents/2025-10/GEF_C.70_Inf.18_Guidelines_Project_Program_Cycle_Policy_1.pdf), the budget is calculated as,
GEF project financing subtotal = $1,539,200
GEF project financning subtotal - M&E (the base for M&E%) = $1,462,410
M&E share: ($76,960 / $1,462,410) * 100 = 5.25%

Therefore, it is recommended to reduce the budget to 5%. If not possible, please provide justification for the higher M&E budget.

DD 1/29/2026
Budget for M&E has been lowered from 5.6% to 5.25%. Please further attempt to reduce to the recommended 5%. If not possible, Agency must provide justification for the higher M&E budget. See below the guidelines for calculation.

project financing.

8. PMC (and M&E, see Annex 3) thresholds are calculated as a percentage of the project financing amount minus PMC itself, i.e. the sub-total of the project financing amount before PMC, as per GEF project templates with example below:

[101] See activities not covered by the GEF funding in Table C.
[102] C.39/9. Para 23.c
[103] Rules and Guidelines for Agency Fees and Project Management Costs GEF/C.39/9, October 2010 – page 6
[104] The procedures apply to all modalities: FSPs, MSPs, EAs and Programs. Child Projects of Programs follow the same procedure as FSPs or MSPs. Hence, PMC for Programs is the total of the Project Management Costs of all Child Projects. PMCs should be charged proportionately to focal areas based on focal area project financing amount as indicated in the Table of the PIF/PFD template in GEF Portal

63

Project Description Overview

Project Objective*:						
					(in $)	
Project Components	Component Type	Project Outcomes	Project Outputs	Trust Fund	GEF Project Financing	Co-financing
	[select]					
	[select]					
...						
M&E**	[select]					
Subtotal				[select]		
Project Management Cost (PMC)*** (if this is an MTF project, please report separate PMC lines for each TF). ***If amount requested is above limits, a pop-up menu should open for the Agency to provide an explanation***				[select]		
Total Project Cost						

SST and DD, 13 November 2025

a) Project Objective: The project components includes both design of the mechanism and the piloting of projects. Therefore, amend the project objective to reflect both these objectives rather than 'design' only.
The project objective mentions ?biodiversity and climate change in the agriculture, forestry and fisheries sectors.? But it is not clear how these topics and sectors are going to be covered, particularly from the chosen pilot case studies.

c) It is still not clear what a ?gender sensitive ME framework? is - it would be helpful to elaborate further with examples. It is noted that The Gender Action Plan contained in the Gender Mainstreaming Plan provides details on this (in the column: Activities to mainstream gender into output). Please integrate these specifications in the project document for increased clarity.
Under M&E, please include in PIRs, MTR and TE, a narrative on gender-specific results (beyond gender-disaggregated data), and progress on the implementation of the Gender Action Plan.

M&E budget is at 5.6% of the sub-total, but the recommended threshold for projects below $5 million is 5% - please revise.

Agency Response

CI-GEF. February 19, 2026:

Thank you for the comment. We will adjust the M&E amount to USD 73,121.

For clarity, our original calculation followed the Updated 2025 policy, which states that PMC (and M&E) thresholds are calculated as a percentage of the project financing amount minus PMC, i.e., the sub?total before PMC, as reflected in the GEF budget templates. Our calculation was therefore aligned with the policy language.

However, to ensure timely approval of the project, we are updating the M&E value in line with the recommendation.

CI-GEF. February 05, 2026:

The M&E budget is correctly calculated following the GEF guideline of applying 5% to the project sub?total (Total Project minus PMC). The calculation is as follows:

Total Project: USD 1,693,119

PMC: USD 153,919

Sub?Total (base for M&E %): USD 1,539,200

M&E at 5%: USD 76,960

Given this, the current M&E amount (USD 76,960) corresponds exactly to 5% of the project sub?total, and therefore complies with GEF requirements. For this reason, further reduction below 5% is not feasible without compromising the necessary resources for monitoring and evaluation.

CI-GEF. December 17, 2025:

a) Project Objective has been amended throughout the ProDoc package to state ?To design and pilot ...?

The ARTSI mechanism explicitly seeks to advance Target 18 of the GBF. It will pursue reform of subsidies and incentives in the agriculture, forestry and fisheries sectors with the intention of shifting decision-making and behavior in favor of positive biodiversity and climate change outcomes. How this is achieved by a particular grant will be context specific; with respect to the pilots:

In Colombia, shifting to certified organic agroforestry will contribute to biodiversity objectives by reducing use of harmful inputs, and to both biodiversity and climate change objectives by reducing deforestation.

In Fiji, expanding eligibility of organic agricultural inputs for subsidies will reduce accumulation of harmful chemicals in the agro-ecological system as well as run-off into coastal-marine ecosystems, benefiting biodiversity.

In the Philippines, refining subsidy eligibility to exclude activities that damage mangroves offers biodiversity benefits (e.g., by protecting habitat and breeding grounds for an array of species) and climate change mitigation through avoided deforestation.

This reasoning currently is presented in Paras 37-63. (The 250-word limit for the project summary does not permit providing such detail.) We recognize that the pilots do not include a fisheries example; a suitable fisheries example did not emerge from the pilot selection process (described in Annex N), but fisheries will nevertheless be included in the mechanism strategy to be developed in the design process.

C) The following text was added in the description of Outcome 4.1 Paragraph 93 within the ProDoc: ?To promote gender sensitivity, the M&E framework incorporates gender-disaggregated data collection and reports on progress in implementing the Gender Mainstreaming Plan.?

Within the paragraph, text was also added to clarify the following statements: ?Annual Project Implementation Reports (PIRs) will track Project progress, including a narrative on gender-specific results and progress on the implementation of the Gender Action Plan, and inform adaptive management measures where needed. A Terminal Evaluation (TE) will validate the information submitted in the PIRs, including gender-specific results and progress on the implementation of the Gender Action Plan.?

An action was added to strengthen the Gender Action Plan. On page 11 of the Gender Mainstreaming Plan Output 4.1.1. now includes ?Report on progress in implementing the Gender Mainstreaming Plan?

M&E budget was adjusted to $76,960 to match the 5% of the project implementation.

4. Project Outline
A. Project Rationale
a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?
b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?
c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025
Project Rationale: the GEF's Council Paper on Policy Coherence might provide a better account of the GEF's agenda and rationale behind working on this topic. Please align this section with that, along with the work of the STAP.

Project Stakeholders: Please include a list of stakeholder consultations, including the name of the stakeholders, the date of consultation and the summary of discussions. Please elaborate in the stakeholder engagement plan, the different stakeholders? roles related to project components and outputs, including the differential roles of ?Indigenous peoples, women?s groups, youth organizations, and other vulnerable stakeholders.

Agency Response

CI-GEF. December 17, 2025:

Added text to Para 13 to further strengthen the rationale, and the definition of policy coherence from the Council Paper to Para 17.

The number and types of stakeholder engagements during the PPG phase are now shown in Table 2 in Paragraph 34, and the text also indicates that a complete description of all consultations (including dates and summaries) is contained in the Stakeholder Engagement Plan (Annex F), which you can find between pages 12 to 19 of the SEP. Several additional engagements occurred since the ProDoc submission on Sept. 29. These are now also included in the revised Stakeholder Engagement Plan.

The stakeholder roles as they relate to project Outcomes are now included in the Stakeholder Engagement Plan Section III, starting on page 2, and in Table 3 in Para 99 of the Project Document.
5 B. Project Description
5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?
b) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?
c) Are the project components (interventions and activities) described and proposed solutions and

critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?
d) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?

e) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?
f) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?
g) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?
h) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?
i) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?
j) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?
k) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?
l) Transformation and/or innovation: Is the project going to be transformative or innovative? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

2/11/2026 DD

Noted. Thanks for the additions.

1/21/2026 DD

As for the GEF projects, please note that a GEF-7 MSP Policy Coherence for Global Environmental Benefits (GEF ID 10920) is currently being implemented in Colombia, among other countries, with the aim of project completion this year. Considering the focus of this project and its outcome on identifying policy incoherences within the country, ARTSI's pilot in the country can learn lessons from and build on the outcomes of this project. Please explicitly note this project in the ProDoc.

In the Fiji pilot, since the project intends to integrate organic fertilizer into the existing incentive scheme, it will be important to extend capacity-building efforts beyond farmers. Training and outreach should also target government officials, extension officers, and other key stakeholders responsible for administering and monitoring the subsidy program.

Additionally, simply adding organic fertilizer to the scheme will not automatically reduce the use or impacts of inorganic/chemical fertilizers without deliberate behavior-change efforts and increased adoption of organic alternatives. Please explicitly highlight, in the theory of change, the importance of behavior change and uptake of organic fertilizers, as well as how the pilot intends to discourage continued reliance on chemical fertilizers.

SST and DD, 13 November 2025

Please reference the GEF Secretariat Council Paper on Policy Coherence, and use that definition.

It needs to be made explicit that the GEF grant will NOT be used for any compensation schemes.

Outcome 1.2: In designing the grant structure of ARTSI, please also consider the size of grants as a factor. There are different implications of granting small amounts for catalytic change versus larger sums for more impactful projects.

Output 1.1.1: while it is understood that the members will be identified and recruited later, would it be possible to provide some examples of who they might be?

Output 1.1.3: In the development of the ARTSI strategy, it is recommended to also consult with other organizations/donors, involved in ARTSI or not to incorporate lessons learned from their experiences on this topic. GEF will be able to share the experiences from our ongoing work, including through the competitive window on Policy Coherence.

Component 2: The pilot counties are already identified, including the potential work in these countries. Please explicitly mention those under this component.

Please identify some of the expected outcomes and outputs for the pilot countries, even if tentative.

Output 2.1.2: Along with the OECD document, please also consider referring to other relevant documents such as BIOFIN and OECD guidance on subsidy reform. It will be helpful to understand which guidelines were considered and which was the finally chosen one and why.

Output 2.1.3: In building coalitions, please undertake a thorough analysis to understand if there are existing coalitions in the countries which could be built upon rather than re-inventing the wheel.

As an overall comment to the case studies, the linkages to ongoing GEF projects and programs in the chosen countries and regions (particularly any IPs and big programs) need to be made explicit.

Annex N, detailing the pilot project selection process is missing. Please upload. Please clarify if geographical criteria a part of selection process? If so, please elaborate how and if not, please elaborate why?

It is not clear why ARTSI's pilot projects will focus explicitly on the two types of reforms (i.e., preferential credit raters for production support under national credit programs and input subsidies for specific production additives). Please also elaborate what other types of reforms could be included and the reasoning for their exclusion from the pilot projects.

It is framed that the, "Pilots offer an effective way to test real-world incentive reform strategies in diverse political and environmental contexts." However, pilots are very much real-world work and therefore, provide the learning opportunity for further scaling up. Please amend this narrative for a more accurate representation.

In the pilot countries, in addition to the BIOFIN work, please also coordinate with the NBSAPs and any assessment/documents in relation to Target 18. Considering that the identification of subsidies are due by 2025, it will be important and insightful to refer to these documents, if available. Please clearly articulate what are the overlaps/complementarity with BIOFIN and related initiatives, and how the project will build on those rather than simply listing them.

Background of the pilots: for 2 of the pilot countries, it is noted that the project will "reduce the negative impact of subsidies". This does not seem to be accurate as the project intends to reform these subsidies rather than lessening their impact. The reduction of impact could also imply that these subsidies will continue to exist while the resources will be used to "mitigate" their impact, which is not the case. Please clarify the intent of the pilots.

On the country examples that offer evidence for durable change, another addition could be of UK's work on agricultural incentive reforms as well as WTO's work on fisheries reform for a multilateral focus.

On Colombia in particular: There should be an explicit linkage with the GEF-7 policy coherence MSP which has Colombia as one of its countries. Also, is Colombia a part of any of the GEF-8 IPs, such as Food Systems or NZNP? If so, there should be explicit linkages to the child projects that will take place, as well as to any ASL projects or programs, given the Amazon linkage.

The description says that ?Indigenous peoples, women?s groups, youth organizations, and other vulnerable stakeholders have been identified as both beneficiaries and contributors to the reform process.? It would be useful to have at this stage a preliminary list of the stakeholder groups in each case study that will be targeted for involvement, especially if it is intended to include these stakeholder groups at the design stage.

The project description mentions ?cross-sectoral policy platforms that bring together finance, agriculture, environment, and planning ministries to coordinate reform.? It would be critical to link this to any ongoing GEF National Steering Committees within any of these three countries (Philippines has one), as well to make explicit cross linkages with the plans to establish GEF Steering Committees in GEF-9 via the GEF-9 Country Engagement Strategy.

The project objective is to ?design the grant mechanism and test models of subsidy reform?. However, it is not clear how the Colombia case study is an example of subsidy reform. Either this needs to be made clearer, or a different case study should be chosen.

In the Fiji case study, it is claimed that the project will ??seek to extend the subsidy to organic fertilizers?. Do we want to EXTEND a subsidy, or eliminate/repurpose?

One of the ?critical assumptions? of the ToC should be, the political will for the desired changes ? as this is where the majority of barriers to Aichi 3 and Target 18 are found.

The proposal speaks of establishing ?governance arrangements? and ?securing capitalization?. More and more this sounds like the establishment of a new fund, which is of concern, especially if the ?capitalization? is expected from ODA. If coming from philanthropy or private sector, however, that is a different matter. Can this be made clearer?

Outcome 3.1: Please also include knowledge sharing and learning events or platforms across the three pilot countries

Output 3.1.3: the GEF's policy coherence work through the competitive funding window and others, will be important here considering the complementarity between the work in some countries. In addition to BIOFIN, country NBSAPs and related exercises in their formulation can provide another opportunity to align activities.

On knowledge management, it is mentioned that ?Tools to cultivate the community of practice would likely include a listserv and online document repository, housed on a designated website.? Isn?t this all a bit old-fashioned and not very innovative? Can we incorporate any newer technologies in the KM aspect of this project?

It is not clear if/how the GEF Secretariat will continue to be involved in the ARTSI mechanism design, governance and operationalization beyond this project. Please elaborate further.

Agency Response

CI-GEF. February 05, 2026:

The ARTSI team engaged with the ICCF Group, the Executing Agency of the GEF-7 MSP Policy Coherence for Global Environmental Benefits (GEF ID 10920) project, to align efforts on policy coherence and subsidy reform, with a particular focus on Colombia. The dialogue focused on identifying areas of complementarity, drawing on ICCF?s implementation experience to inform the design and positioning of ARTSI. Discussions underscored the importance of early and sustained engagement with key decision-makers, including members of Congress, as a critical lever to foster ownership of economic incentives and advance subsidy reform. ICCF expressed strong interest in collaborating through the co-design of the ARTSI mechanism, contributing lessons learned to enhance its policy relevance and implementation readiness. This engagement included a virtual meeting in August 2025, followed by an in-person session with Colombia-based teams to deepen alignment around expectations, collaboration opportunities, and implementation synergies. Engagement with ICCF will continue through the pilot. Alignment with this GEF project is indicated in para 128.

The Fiji pilot will work with farmers as well as government officials, extension officers and others involved in the subsidy program to catalyze a transition to sustainable fertilizer use by combining evidence-based analysis with targeted education, capacity building, and strategic stakeholder engagement. Training materials will translate socio-economic insights into actionable knowledge, while engagement with policymakers, extension officers, and subsidy administrators will secure alignment, ownership, and the potential for scaling results across the system. Thus, activities relating to awareness and training will reinforce improved incentives to achieve behavior change. Language to make this explicit has been added to paras 65, 66 and 81

CI-GEF. December 17, 2025:

Definition of policy coherence inserted in Para 65 based on the GEF Secretariat Council Paper

Note that GEF grant will **not be used** for compensation schemes. This has been specified in Para 67

Outcome 1.2: Size of grants noted in Paras 70 and 72

Output 1.1.1: Examples added to Para 71 (?Although members remain to be determined, the project anticipates that the Core Design Team may include representation from the Porticus Foundation, Moore Foundation, and GEF; the governments of the UK (FCDO), France, and Germany have signaled possible interest in co-design, and CI also is considering reaching out to the governments of Canada and New Zealand. The group of Supporting Partners is anticipated to include representation from BIOFIN, IISD, B Team (on the advisory board), and Business for

Nature; the project also will invite input from the governments of Colombia, Brazil, Fiji, and the Philippines to understand how the grant mechanism best can support transformation.?)

Output 1.1.3: The project will actively consult other organizations and donors to incorporate lessons learned, particularly during the early stages of implementation. Text added to indicate lessons will be sought from all partners. Para 73

Text on the pilot objectives added to Component 2. Para 75

Expected outcomes and outputs have been specified under Paras 80-82.

Output 2.1.2: OECD DAC is standard guidance for project reviews; this was meant as initial guidance but not an exclusive list. We have added additional guidance documents and updated the criteria (Para 78). This will be further elaborated during the development of the evaluation protocol during project implementation.

Output 2.1.3: additional text added in Para 83

An expanded list of GEF projects and programs, along with their alignment with this project, has been added to Para 128.

Annex N was included in the previous submission. Please refer to pg 116 in the ProDoc. Re. geographical criteria: See Para 41 (*Pilots are being developed across countries with great biodiversity richness, representing different regions, ecosystems, and economic context*.) The pilot selection process sought geographic diversity, reflected in the final inclusion of sites in South America, Southeast Asia, and the Pacific Island region. Comment added to Para 75.

For Project Rationale, additional material on reform types and pilot selection added to Paras 22-24 detailing the objective of the reform to reduce environmentally harmful subsidies (EHS) The pilot projects chosen through the selection process have several similarities in that they focus on agriculture or land use sectors. Other reform efforts were researched and considered including one that involved fuel subsidies and quota access rights for fisheries, one that involved subsidies applicable at a subnational jurisdiction for small businesses of any type, one that proposed to address overfishing by exploring tariff reform for certain gear types. After careful consideration of the types of activities, country context, capacity to engage and the timeframe available for pilots, the three pilots selected were deemed to be of the highest likelihood to be successful during this project.

Point taken - ?real-world? deleted from Para 39 to avoid wrong impression.

Explicit mention of NBSAPs and relation to Target 18 added to Para 42. Articulation of complementarity to BIOFIN added as Paras 45 and 46. Elaboration on global collaboration with BIOFIN also added as Paras 126 and 127.

Point taken ? adjustments made to Paras 43, 48, and 54 to avoid confusion and emphasize reform. It is the intent of the project team to prepare a knowledge product on the typology of reforms and policy changes undertaken in each the pilots. This analysis will help to describe the specific changes to the policies in more detail and will include economic and social elements in the analysis.

Additional examples of subsidy reforms added to Para 30.

GEF project synergies and complementarities addressed under Para 128

More detail on the stakeholders within the pilot projects is included in the Stakeholder Engagement Plan pages 7-10. This is now indicated in a footnote to Table 3: ?A more detailed list of project stakeholders, including within the pilot projects, is contained in Section III of the Stakeholder Engagement Plan. All pilot projects have budgeted for further stakeholder mapping and engagement during implementation.?

Noted in Para 47: ?This will benefit from coordination with the GEF National Steering Committee in the Philippines and analogous bodies that may be established in Colombia and Fiji under GEF-9 per the GEF-9 Country Engagement Strategy.?

In Colombia the intent is to reform the credit subsidy from one that encourages deforestation to one that rewards sustainable practices. Addition in Para 51 to clarify.

For Fiji, adjustment made in Para 55 to clarify. While in the longer term, elimination or repurposing of the subsidy may be considered, the present goal is to ensure that the subsidy also supports sustainable practices.

Political will added to the Critical Assumptions (Para 66)

The concept, PIF, and draft ProDoc explicitly have proposed the establishment of a new grant mechanism (or ?fund?). Language on sources added to Paras 70 and 71, emphasizing philanthropy and corporate partners.

Outcome 3.1 Added text on learning events between countries (Para 86)

Output 3.1.3 added GEF Policy Coherence and the NBSAP work in countries (Para 89)

We believe key constituencies during project implementation (i.e., government staff and policy makers) will be most comfortable with conventional KM channels and platforms. Also, given the budget constraint, the project has prioritized knowledge generation over innovation in knowledge management. That said, we acknowledge that technological advances such as knowledge graphs, semantic search, contextual retrieval, and generative AI more broadly offer innovative KM opportunities. We propose to explore these and incorporate them into the KM system for the ARTSI mechanism during the design process, while keeping the KM arrangements for the project itself more straightforward. Edits to that effect have been made in Para 88.

The project envisions ongoing GEF Secretariat representation in the Core Design Team (now made explicit in Para 69) and in the ARTSI governance structure to be defined (now made explicit in Para 72)

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?

b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?

c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

Secretariat comment at CEO Endorsement Request

2/11/2026 DD

Noted

DD 1/16/2026

Annex H is referenced in the project document: "for additonal details on PMU" (para 114). Please revise to remove or indicate the accurate location of the said information.

See earlier comment about the GEF-7 MSP on Policy Coherence in Colombia.

The Agency has identified this project as qualifying under the exception waiver *Global or regional coordination child projects for Programs, global or regional platforms for knowledge sharing and Umbrella Enabling Activities for a group of countries*. The project appears to qualify as a platform for knowledge sharing according to its objective and components aimed at TA: ?To design and pilot the Accelerating Rapid Transition of Subsidies and Incentives (ARTSI) grants mechanism to support subsidy reform and enhance policy coherence with respect to impact on biodiversity and climate change in the agriculture, forestry and fisheries sectors". This exception waiver request requires no further Manager approval.

SST and DD, 13 November 2025

The justification for CI to be the EA is not clear and no Managerial approval has been provided. Should the carrying out of dual role be a necessity, please ensure and apply only if the case fits within one of the five exceptions approved by Council in June 2025. If so, please follow the procedure depicted in Guidelines to obtain the approval.

This project also contributes to the GEF's cross-cutting priority agenda on policy coherence. Along with the points mentioned already, the project will also bring together different governmental sectors and stakeholders to facilitate enhanced coherence of their policies and actions. Please mention this.

Annex H is missing. Please upload.

The proposal identifies several external initiatives (BIOFIN etc) and several GEF programs and projects. It would be useful for all of this to be better articulated. For BIOFIN, given the topic overlap, there should be strong linkages with both the pilot case studies and any ARTSI grant recipient of the future if these countries are BIOFIN countries. It would be useful to also have here a preliminary description of how these two initiatives will work together.

Furthermore, beyond simply listing some GEF projects and programs, it would be useful to have a preliminary description of how there will be some kind of alignment. The list is also not exhaustive ? for example, there is a GEF-7 MSP on policy coherence with UNDP has Colombia as one of its case studies, CI-led stand-alone and IPs in pilot countries and other projects. This section needs to be a lot more thought out and stronger. Please also include their project ID.

Also note the contribution to GEF's ongoing agenda on "innovations", particularly through the innovations window, which this project is a part of. We are not aware of the GEF's aim for a global program on Domestic Resource Mobilization for Biodiversity. Please elaborate on the source.

Agency Response

CI-GEF. February 05, 2026:

The reference to Annex H (now para 114) was removed and all information on institutional arrangements is included directly in the pro-doc (Institutional Arrangement and Coordination with Ongoing Initiatives and Project). The staff TORs were shared separately.

Regarding point about GEF-7 MSP on Policy Coherence in Colombia ? See response to comment on 5.1 a above.

Point on exception waiver is well noted.

CI-GEF. December 17, 2025:

The exemption request is under (d) *Global or regional coordination child projects for Programs, global or regional platforms for knowledge sharing and Umbrella Enabling Activities for a group of countries.*

ARTSI is a global innovation mechanism designed to co-create and deploy a grant facility for subsidy reform, requiring centralized coordination, knowledge management, and technical leadership across multiple geographies. CI has created the dual role justification and exemption request as required (GEF/C.70/Inf.18, Annex 7).

Exemption Request for dual role (d).docx

Added to Para 122: ?Noting that this project also contributes to the GEF's cross-cutting priority agenda on policy coherence, implementers of the pilots under this project will bring together different governmental sectors and stakeholders to facilitate enhanced coherence of their policies and actions.?

Annex H (NGI Relevant Annexes) is not applicable to this project.

Articulation of complementarity to BIOFIN added as Paras 45 and 46. Elaboration on global collaboration with BIOFIN also added as Paras 126 and 127.

An expanded list of GEF projects and programs, along with their alignment with this project, has been added to Para 128.

Text added to Para 132 on contributions to GEF?s ongoing agenda on innovation.

Regarding the observation relating to Domestic Resource Mobilization for Biodiversity, please see Para 412 in https://www.thegef.org/sites/default/files/2023-01/GEF-8_Programming_Directions.pdf.

5.3 Core indicators
a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)?
b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable?
Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

No comments.

Agency Response

5.4 Risks
a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?
b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?
c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

No comments.

Agency Response

5.5 For NGI Only: Is there a justification of the financial structure and of the use of financial instrument with concessionality levels?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Not applicable.

Agency Response

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Note the contribution to GEF's ongoing agenda on "innovations" particularly through the innovations window, which this project is a part of, as well as the advancing policy coherence agenda.

Agency Response

CI-GEF. December 17, 2025:

Additional text added to Para 132 on contributions to GEF?s ongoing agenda on innovation.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

No comments.

Agency Response

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Please specifically identify the targets of the KMGBF in a table, highlighting how this project will contribute.

Agency Response

CI-GEF. December 17, 2025:

Table on Project Contributions to Global Biodiversity Targets added following Para 130.

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request

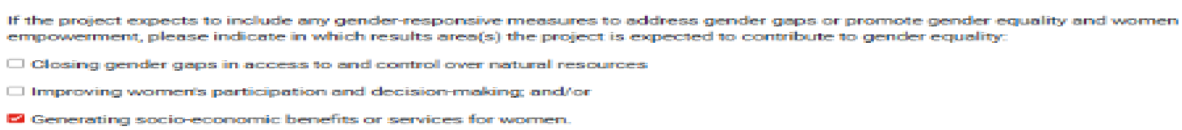
SST and DD, 13 November 2025

Please respond either Yes or No on the result area of the question, Closing gender gaps in access to and control over natural resources. Don?t leave it blank.

Agency Response

CI-GEF. December 17, 2025:

Thank you. Please be aware that the portal only provides a tick box on the options under this question, therefore, a Yes or No response cannot be provided due to the portal limitation. Find a screenshot below:


If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

- [ ] Closing gender gaps in access to and control over natural resources
- [ ] Improving women's participation and decision-making; and/or
- [x] Generating socio-economic benefits or services for women.

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Yes. Refer to additional comments above on Gender dimensions.

Agency Response

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Yes. Refer to additional comments above on Stakeholder enagagement.

Agency Response

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Yes

Agency Response

8 Annexes
Annex A: Financing Tables
8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):
STAR allocation?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Agency Response
Focal Area allocation?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

N/A

Agency Response
LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

N/A

Agency Response
SCCF A (SIDS)?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

N/A

Agency Response
SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

N/A

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

N/A

Agency Response

8.2 Project Preparation Grant (PPG)
a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Agency Response

8.3 Source of Funds
Does the sources of funds table match with the amounts in the OFP's LOE?
Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?
e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Yes

Agency Response

Annex B: Endorsements
8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:
Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Refer to the comment on the LOE below.

Agency Response

CI-GEF. December 17, 2025:

LoEs for Colombia, Fiji, and Philippines have been secured and included in the prodoc. Further, CI also obtained non-objection letters under the first submission.

b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat comment at CEO Endorsement Request

DD 1/22/2026

LoEs recieved.

SST and DD, 13 November 2025

Instead of Letters of Endorsement (LoEs) which is a Policy requirement, the Letters of No Objection were uploaded, which are not defined in the GEF policy framework. Considering that there will be GEF financed activities in the participant countries, please obtain Letters of Endorsement including the funds allocation using the template available on the GEF website. Please note that this request was done (and accepted by the Agency) through the Review Sheet at PIF stage.

Agency Response

CI-GEF. December 17, 2025:

LoEs for Colombia, Fiji, and Philippines have been secured and included in the prodoc. Further, CI also obtained non-objection letters under the first submission.

c) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Refer to the comment above on the LOE

Agency Response

CI-GEF. December 17, 2025:

LoEs for Colombia, Fiji, and Philippines have been secured and included in the prodoc. Further, CI also obtained non-objection letters under the first submission.

Annex C: Project Results Framework
8.6 a) Have the GEF core indicators been included?
b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)
c) Are all relevant indicators sex disaggregated?
d) Is the Project Results Framework included in the Project Document pasted in the Template?

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Agency Response

Annex E: Project map and coordinates
8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request

SST and DD, 2 December 2025

Under annex E, please provide geo-referenced information and map where the project interventions will take place. Global or coordination projects. Agencies are encouraged to include the geographic location of any physical project activity (such as event or knowledge sharing activity), to ensure the project is visible. In the case of a program, Agencies may enter at least the country or capital city of the country of countries participating in the program.

Agency Response

CI-GEF. December 17, 2025:

Geo-referenced information and location of project interventions were included in the previous submission under Annex E.

Annex G: GEF Budget template
8.8 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?
b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?
c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

DD 1/22/2026

Thank you for your efforts to reduce project personnel. Please see two comments related to this:

a. The budget table includes all project personnel under one Expenditure Category, which is not a standardized GEF expenditure category. This should be addressed so that CI staff are included under ?Salary and benefits / Staff costs? and consultants under separate categories depending on whether they are nationally/locally recruited (?Consultants ? Local?)

or internationally recruited (?Consultants ? International?), or ?Contractual Services ? Individual?. Please present these positions accordingly.

b. GEF considers all project-related recruitments, both for PMU and for contractors or consultants (except MTR or TE personnel), to be part of the ?project personnel.? Currently that number stands at $853,723 / $1,539,200 = 55%. It is noted that the project as proposed is technical assistance in nature, which may incur higher personnel costs. Please consider additional personnel cost efficiencies during revision and resubmission.

SST and DD, 13 November 2025

Over 72% of the entire GEF financed budget is proposed to be charged to project personnel (staff and consultants). Typically, GEF projects outside of Enabling Activities spend less than 1/3 of their budget on personnel. In this context, this project is heavy in managerial positions (one Project Lead for $197,262, one Partnership Engagement Director for $322,068, one Partnership and MEAL Manager for $259,492, one Project Coordinator for $71,542), which adds up to $850,364 - these 4 positions represent 50% of the GEF Financing. Please considerably reduce the cost of project personnel - for those positions / consultants left, TORs are required in the resubmission. Please also inform the amount and to which project activities the reallocated funds were re-directed.

Office rent for $44,613 can be presented as co-financing

Agency Response

CI-GEF. February 05, 2026:

a. The budget table has been updated to align with the latest GEF expenditure?category guidelines. The names of the categories were corrected, and staff positions are now clearly differentiated between international and local. Additionally, consultants were separated from contractual services, in line with the updated guidance.

b. Due to the nature of the project and our learning from other granting mechanisms, the development phase of the ARTSI grant mechanism is weighed more towards personnel. Once the grant mechanism is running, the balance related to the project will be weighed more towards granting. The current personnel percentage is 40.2% of the project total, which we have determined through consultation and learning and due to the nature of the work (fundraising, pilot project management, creation of the grant mechanism) to be the most cost effective and efficient method. Additionally, the consultants that we have planned, for instance activities like safeguards and gender management, branding and website development, will need specific, time limited expertise to supplement what the core staff on the project will have. These Consultants represent the 9.5% of the implementation budget. The items now labeled as Contractual Services do not fall under ?project personnel? according to the GEF classification. These costs relate to service?based deliverables and therefore are not included in the calculation of total project personnel. And represent 5.7% of the implementation Budget.

CI-GEF. December 17, 2025:

The higher percentage of personnel and consultant costs initially reflected the nature of the project activities, as successful delivery requires a strategic blend of staff and specialized consultants who are subject matter experts. This approach was designed

to leverage existing expertise for greater resource efficiency and project impact. However, in response to the comment, the project team has considerably reduced these costs?from 57% to 36.6% of the total GEF-financed budget?thanks to co-financing arrangements that allowed partial coverage of key positions. Approximately USD 353,000 was freed through these adjustments, with 97% reallocated to pilot activities in participating countries to strengthen on-the-ground implementation. Further reductions are not feasible without compromising project delivery. TORs for all remaining key positions are included in the
resubmission. Regarding office rent, the expense was reduced by 50% from the initial estimate and is now fully charged under PMC; given current co-financing commitments and timing of activities, no further adjustments are possible without affecting essential operational capacity

Annex H: NGI Relevant Annexes
8.9 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.
b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.
c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Request

SST and DD, 13 November 2025

Not applicable.

Agency Response
Additional Annexes
9. GEFSEC DECISION

9.1.GEFSEC Recommendation
Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

DD 2/20/2026

Project recommended for approval.

DD 2/19/2026

Agency to address the comment on budget and resubmit. Please remove all yellow and blue highlights in the resubmitted document and ensure that the ProDoc is uploaded and classified as "Public" view for circulation.

DD 1/29/2026

Agency to address pending comments and resubmit

SST and DD, 13 November 2025

Not yet. Agency to address technical and operational comments throughout the Review Sheet and resubmit.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request

1/29/2026 DD

During inception and implementation, continued refinement of the project is recommended. With the establishment of the core teams for the funding mechanism, including those with GEF participation, the funding modalities and priority areas will need to be identified. In addition, continued resource mobilization and fundraising efforts will be essential to ensure the sustainability of ARTSI. Although GEF investment supports the establishment of ARTSI and the three pilots, it will be important to understand and coordinate with other pilots/projects that the mechanism intends to support.

Regarding the pilot projects, further refinement of the activities and components is essential, as informed by stakeholder engagement. Additional synergies and complementarity with existing GEF and non-GEF projects will need to be identified and defined to ensure the maximization of resources.

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	**12/2/2025**	**12/19/2025**
Additional Review (as necessary)	**1/29/2026**	**2/6/2026**
Additional Review (as necessary)	**2/19/2026**	**2/20/2026**
Additional Review (as necessary)		
Additional Review (as necessary)		