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# **The Global Environment Facility: GEF-5 Strategy for Climate Change Mitigation**

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# Main points

- Many activities discussed here could be appropriately funded by the GEF under climate change mitigation objectives.
  - Examples: cookstoves, transport, kilns
- Overview of the GEF for understanding of who is eligible for funding and how to access.
- Current focus on projects that produce tangible outputs (investments) that are priorities of eligible countries

# The GEF

- An operating entity of the financial mechanism of the UNFCCC (and other global environmental conventions)
- Provides grant and concessional financing **incremental** to base projects in developing countries and economies in transition for producing **global environmental benefits**
- A partnership of 182 member countries along with the private sector and civil society
- 10 GEF implementing and executing agencies
  - MDBs: World Bank and regional development banks
  - UN agencies: UNDP, UNEP, FAO, IFAD, and UNIDO

# Governance

- 4 year replenishment periods. GEF5 = 2010-2014
  - \$4.3 billion total (all focal areas)
  - \$1.4 billion for climate change mitigation
- GEF Council, meets 2X a year. 18 developing country representatives, 14 developed.
- GEF Assembly every 4 years to discuss strategic focus for next replenishment period.
- GEF CEO reports to Council
- GEF Evaluation Office (GEF EO)
- Science and Technical Advisory Panel (STAP)
- GEF Reforms (18 months for proposal approval, STAR allocation, programmatic approach)

# Guiding Principles for GEF-5 Strategy

- Responsiveness to Convention guidance
- Consideration of national circumstances of recipient countries
- Cost-effectiveness in achieving global environmental benefits



# Principles: Country Ownership

## GEF PROJECTS MUST BE COUNTRY DRIVEN:

- Based on national priorities

How is this achieved?

- Political and Operational Focal Point Support
- Country Support Programme
- National Portfolio Formulation Exercise
- Constituency Meetings
- GEF Newsletter
- Country Dialogues
- Participation of CSOs and Local Communities



# System for Transparent Allocation of Resources

- Every eligible country has an allocation of funding in GEF5 in Biodiversity, Climate Change Mitigation, and Land Degradation (Combating Desertification), based on common criteria.
- Minimum \$4 million, with \$2m CC, \$1.5m BD, and \$0.5m LD. Less than \$7m, country is flexible and may choose to allocate to different objectives.

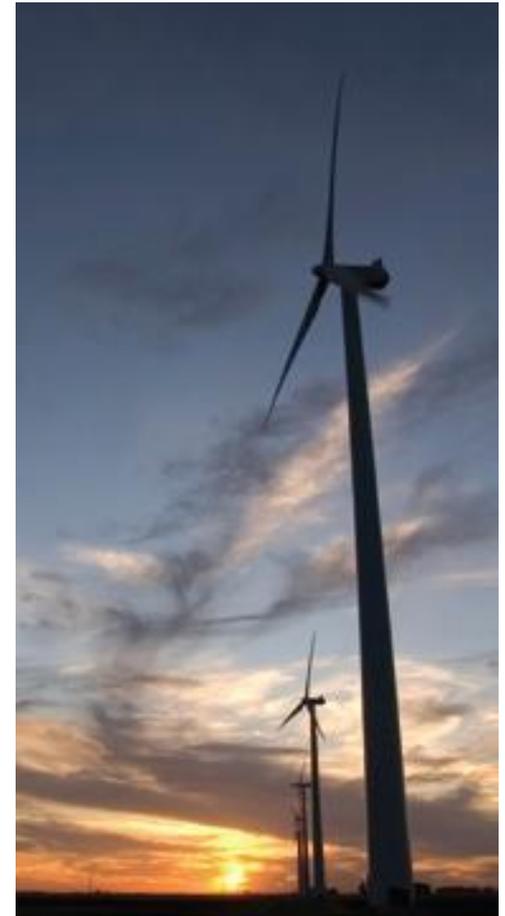
# Financing Climate Change under the GEF Trust Fund

- GEF Trust Fund invested about \$3 billion in over 150 countries
  - Mitigation
  - Adaptation (LDCE, SCCF Trust Fund)
  - Technology Needs Assessments
  - National Communications to the UNFCCC
- Largest multilateral public-sector technology transfer mechanism
  - Financed demonstration, deployment, diffusion, and transfer of environmentally sound technologies



# Roles of the GEF in Climate Change Financing

- Catalytic
  - Leveraged more than \$18 billion in co-financing on its \$3 billion of investments
- Innovative
  - Leader in financing new, emerging low-carbon technologies
  - Pioneer in supporting market-based approaches and innovative financial instruments
- Cost-effective
  - Over 2.5 billion tonnes of CO<sub>2</sub> avoided
  - Amounts to slightly over \$1/tonnes CO<sub>2</sub>



# Strategic Objectives for GEF-5 for CC M

1. Innovative low-carbon technologies
2. Energy efficiency in industry and the building sector
3. Investment in renewable energy technologies
4. Energy efficient, low-carbon transport and urban systems
5. Conservation and enhancement of carbon stocks through sustainable management of land use and forestry
6. Enabling activities and capacity building



# 1. Demonstration, deployment, and transfer of innovative low-carbon technologies

- All innovative activities belong in this objective. The focus is on the stage of development of the technology or activity.
- Most projects will belong in the other objectives.

## 2. Market transformation for energy efficiency in industry and the building sector

- In the industrial sector, GEF promotes energy efficient technologies and practices in industrial production and manufacturing processes (including agro-processing) especially in the small and medium-sized enterprises (SMEs) countries.
- In the building sector, GEF supports residential, commercial, and public buildings, and include both new buildings and retrofitting of existing buildings.
- Project activities involve use of solar energy, thermal capacity of shallow ground for heating and cooling in the building system, and promotion of energy efficient cook stove.



### 3. Investment in renewable energy technologies

- GEF supports on-grid renewable energy programs, decentralized production of electric power, and use of renewables such as biomass, solar, wind, hydro, geothermal.
- GEF projects can promote local SMEs to enhance their technical capacities to provide installation, operation, and maintenance services for renewable energy technologies.
- GEF support may include recovering methane from biomass wastes for power generation or heat production.
- GEF support may also extend to supporting sustainable production of biomass for solid and liquid biofuels as a substitute to fossil fuels where appropriate conditions, including safeguard policies, exist.

## 4. Energy efficient, low-carbon transport and urban systems

- Could support transport planning, public transit systems, energy efficiency improvement of the fleet, efficient traffic control and management, transport demand management, and non-motorized transport. Promote clean low-carbon vehicles.
- GEF projects address not only CC mitigation but also local air pollution, traffic congestion, and access to affordable and efficient transport and public utilities.
- GEF support could include technical assistance in transport and urban planning, development of innovative financing mechanisms, awareness campaigns, and investments in high-performance technologies.

## 5. Conservation and enhancement of carbon stocks through sustainable management of land use, land use change and forestry (LULUCF) & SFM/REDD

- Conserve, restore, enhance, and manage carbon stocks in forest and non-forest lands (especially peatlands). Reduce emissions and increase sequestration.
- Activities include 1) national systems to measure and monitor carbon stocks and fluxes from forest and non-forest lands, and 2) good practice management activities
- Tied to SFM/REDD-plus challenge incentive so that countries which combine significant fractions of their STAR allocations from biodiversity, climate change and land degradation will receive additional funding an additional \$1 for every \$3.



## 6. Enabling activities and capacity building

- Support non-Annex I Parties to meet their obligation under the Convention.
- GEF continues to fund the preparation and updating of TNAs, especially for countries that did not receive support for TNAs during GEF-4, in accordance with Convention guidance.
- Subject to emerging COP guidance, the GEF may finance activities to support capacity building activities, implementation of Articles 6 of the Convention on education, training, and public

# Summary

- Country driven
- A work in progress
- Check our website for more information, many documents are available <http://www.thegef.org>
- Call or email



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