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

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**Short-Lived Climate Forcers
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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



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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



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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)



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Guiding Principles for GEF-5 Strategy

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



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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.



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Financing Climate Change under the GEF Trust Fund

- GEF Trust Fund invested about \$3 billion in over 150 countries
 - Mitigation
 - Adaptation (LDCF, 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 CO₂ avoided
 - Amounts to slightly over \$1/tonnes CO₂



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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.



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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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