

Global Environment Facility Introduction Seminar



GEF-2020
Tuesday January 20th
09:45 – 10:15

Intro to the GEF:
GEF2020 and GEF 6
Claus Astrup – Advisor to the CEO

January 20 - 22, 2015

Content

1. Background: The Urgent Agenda That is the Global Environment

2. Overview: GEF Strategy-GEF2020

3. Reflections on the GEF-6 replenishment



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BACKGROUND: THE URGENT AGENDA THAT IS THE GLOBAL ENVIRONMENT

Deterioration Across Virtually all Environmental Domains

CO₂ concentrations

Land degradation

Loss of biodiversity

Water depletion

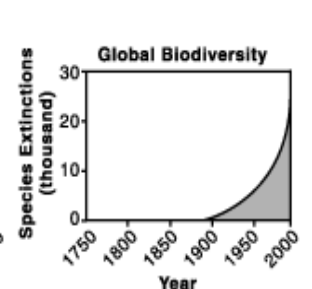
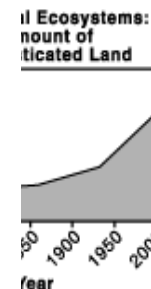
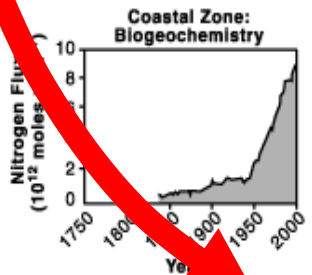
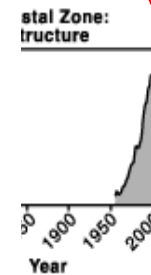
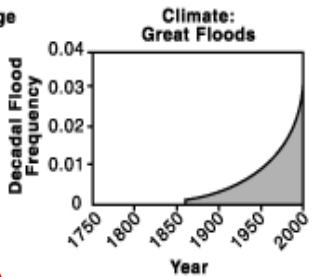
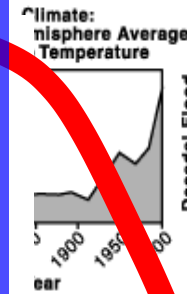
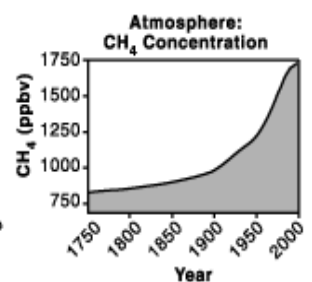
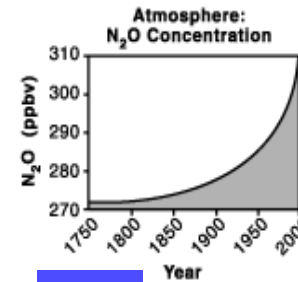
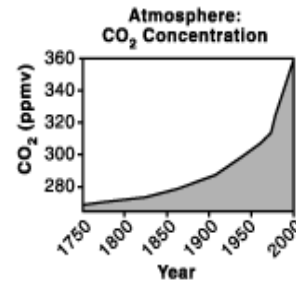
Chemical pollution

Forest loss

1900

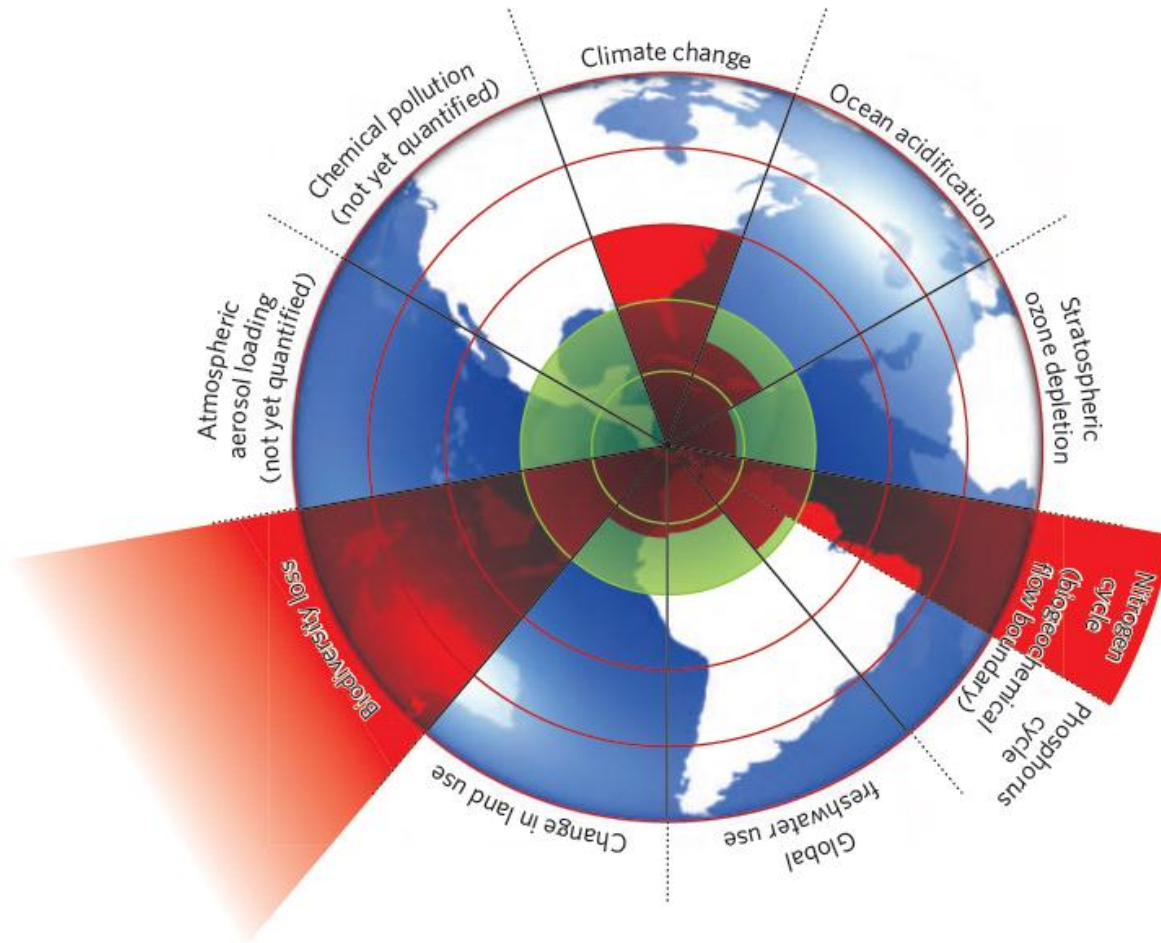
1950

2000



2010-2020

Planetary Boundaries—The Earth Pushed to the Limit



Note: GEF's areas of work cover most of these issues



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The Economy and the Environment—what (if any) is the trade-off?



BETTER GROWTH BETTER CLIMATE

The New Climate Economy Report

THE SYNTHESIS REPORT

The report's conclusion is that countries at all levels of income now have the opportunity to build lasting economic growth at the same time as reducing the immense risks of climate change. This is made possible by structural and technological changes unfolding in the global economy and opportunities for greater economic efficiency. The capital for the necessary investments is available, and the potential for innovation is vast. What is needed is strong political leadership and credible, consistent policies.

The next 15 years will be critical, as the global economy undergoes a deep structural transformation. It will not be "business as usual". The global economy will grow by more than half, a billion more people will come to live in cities, and rapid technological advance will continue to change businesses and lives. Around US\$90 trillion is likely to be invested in infrastructure in the world's urban, land use and energy systems. How these changes are managed will shape future patterns of growth, productivity and living standards.

The next 15 years of investment will also determine the future of the world's climate system. Climate change caused by past greenhouse gas emissions is already having serious economic consequences, especially in more exposed areas of the world. Without stronger action in the next 10-15 years, which leads global emissions to peak and then fall, it is near certain that global average warming will exceed 2°C, the level the international community has agreed not to cross. On current trends, warming could exceed 4°C by the end of the century, with extreme and potentially irreversible impacts. By building up greenhouse gas concentrations and locking in the stock of high-carbon assets, delay in reducing emissions makes it progressively more expensive to shift towards a low-carbon economy.



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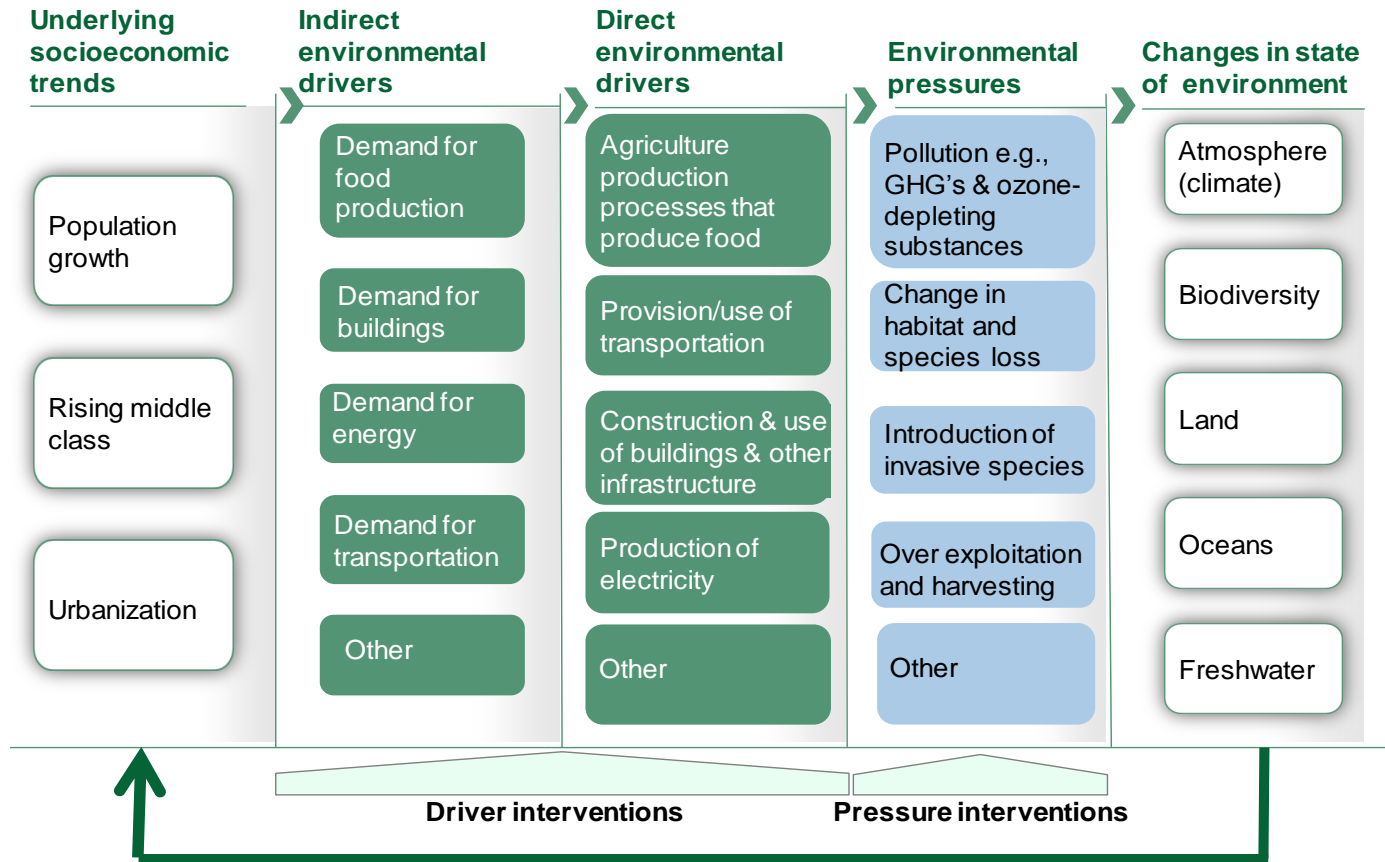
GEF STRATEGY—*GEF2020*



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1. Address Drivers of Environmental Degradation

The causal chain of environmental change



Changes in human welfare
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2. Deliver Integrated Solutions

- Example: Integrated approach programs (IAPs) in GEF-6:
 - *Sustainable Cities*
 - *Deforestation out of Commodity Supply*
 - *Fostering Sustainability and Resilience for Food Security in*



3. Enhance Resilience

- GEF Adaptation Program:
 - LDCF, SCCF
 - 124 countries worth US\$1.2 billion



- National adaptation plans (NAPs)
- Ecosystem based adaptation



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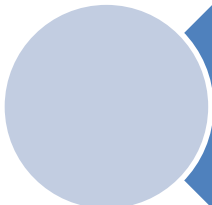
4. Ensure Complementarity in Environmental Finance

- Increasingly complex climate finance architecture
- GEF “niche”:
 - *Transforming policy and regulatory environments; build institutional capacity*
 - *Demonstrate new technology and business models*
 - *De-risk partner investments*
 - *Build multi-stakeholder alliances*

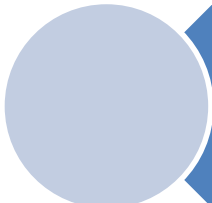


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Three Key Operational Priorities



Mobilize local and global stakeholders
(national and local governments,
private sectors, civil society)



Improve GEF operational efficiencies



Strengthen Results Management



Underpinned by
Focal Area
Strategies



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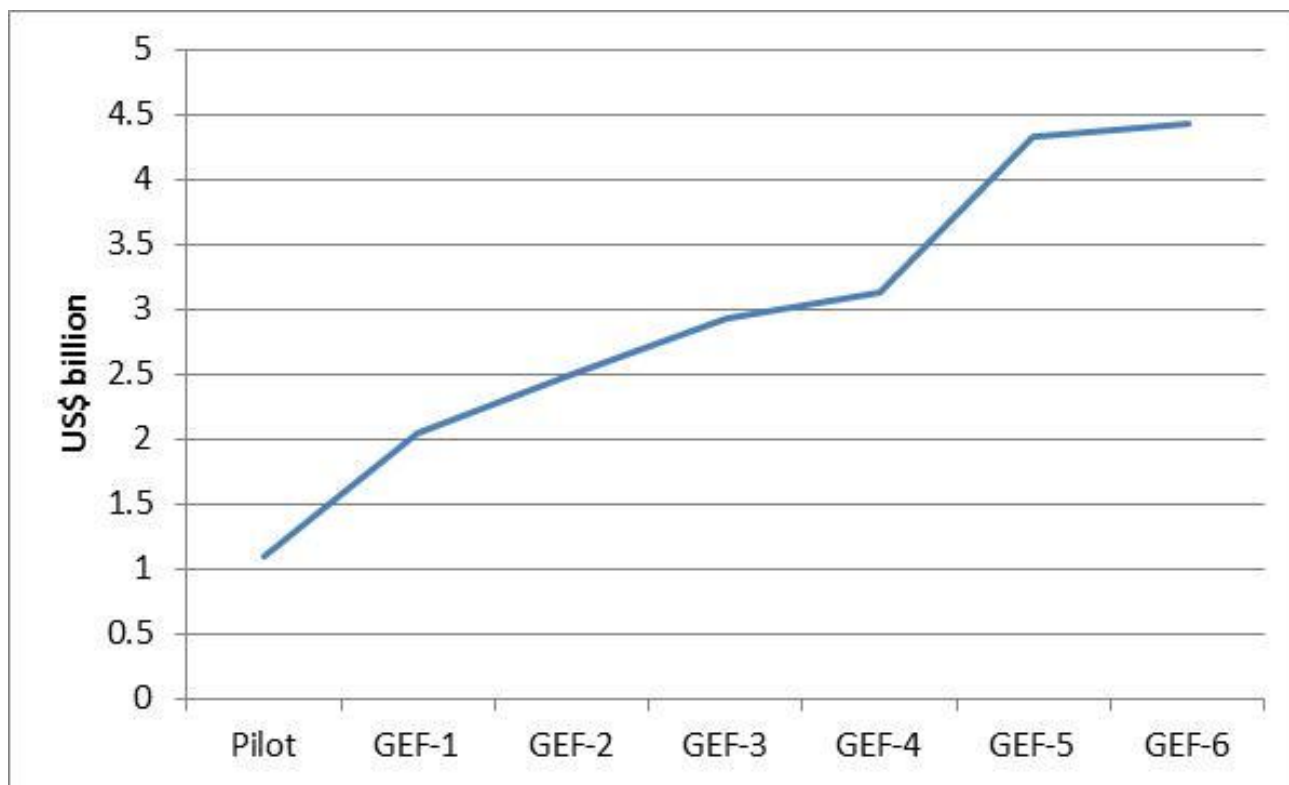


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REFLECTIONS ON THE GEF-6 REPLENISHMENT

GEF-6: Largest replenishment to date



=> US\$4.4bn for 2014-18...4% Increase over GEF-5... despite difficult global macro/fiscal situation



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Source of funds

GEF contributing countries

	GEF-5		GEF-6		Change
	US\$m	Share	US\$m	Share	GEF5-GEF6
G7	2,519	71.6%	2,585	69.8%	2.6%
Other	939	26.7%	1,043	28.2%	11.1%
MIC-5	58	1.6%	75	2.0%	30.2%
	3,517		3,703		5.3%

Note: New pledges only

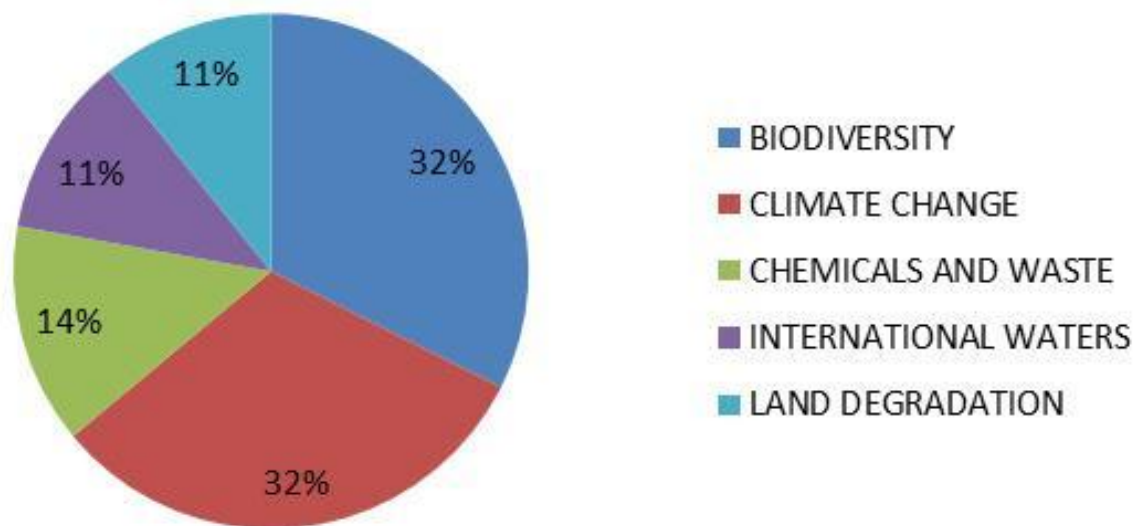
⇒ *Increases across the board, but particularly among MIC-5 (albeit from a low base)*



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Use of funds—GEF Focal Areas

Distribution of Funds



Main changes
from GEF-5:

More for
Chemical
(Minamata);

Less for
Climate (GCF?);

Biodiversity
now largest FA

Note: Excludes Corporate Programs and Non-Grant Instrument Pilot. Also, does not include LDCF/SCCF



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Use of funds—GEF Recipient Countries

COUNTRIES		GEF6 Allocations (US\$mill)	Share
SIDS/LDCs		700	30%
"Big 5"		631	27%
Other Countries		1007	43%
... Of which	<i>LICs</i>	41	2%
	<i>LMICs</i>	412	18%
	<i>UMICs</i>	523	22%
	<i>HICs</i>	32	1%
TOTAL Country Allocations		2338	100%

=> Trade-off: "Impact" vs "equity"?



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Thank you



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