



**GEF...
Dynamic
Partnerships.
Real
Solutions.**



**GLOBAL
ENVIRONMENT
FACILITY**



Irrigated
cultivation in
the desert.

GEF at a Glance

- The GEF is the single largest source of funding for the global environment. Over the past decade, it has committed \$4.2 billion in grants, and leveraged \$11 billion in additional financing, for more than 1,000 projects in 160 countries.
- GEF investments earn \$3 for every \$1 committed by GEF.
- The GEF relies on three implementing agencies—UNDP, UNEP, and the World Bank—which play key roles in managing GEF projects on the ground.
- In 1999, the GEF Council extended invitations to seven other agencies to work on GEF projects. Today the FAO, the UNIDO, the AfDB, the ABD, the EBRD, the IDB, and the IFAD execute GEF projects.
- The GEF is the largest funder of renewable energy in developing countries.
- The GEF has had a significant impact in reducing ozone-depleting substances (ODS) in Eastern Europe and Central Asia. In the 14 countries with the most advanced GEF projects, ODS consumption has been reduced by more than 90 percent.
- About 70 percent of all external funds for World Heritage Sites designated by UNESCO are supplied through GEF.
- 171 countries are members of the GEF.
- GEF projects are country-driven, following the strategic imperatives of the country.
- A recent comprehensive assessment by an independent panel of experts finds that the GEF has been a “catalyst for innovative programs” and produced “significant results” to improve the global environment.

“GEF’s mission is to strengthen the links between sustainable economic cooperation and protection of the global environment, and between environmental security and a stable social order.”

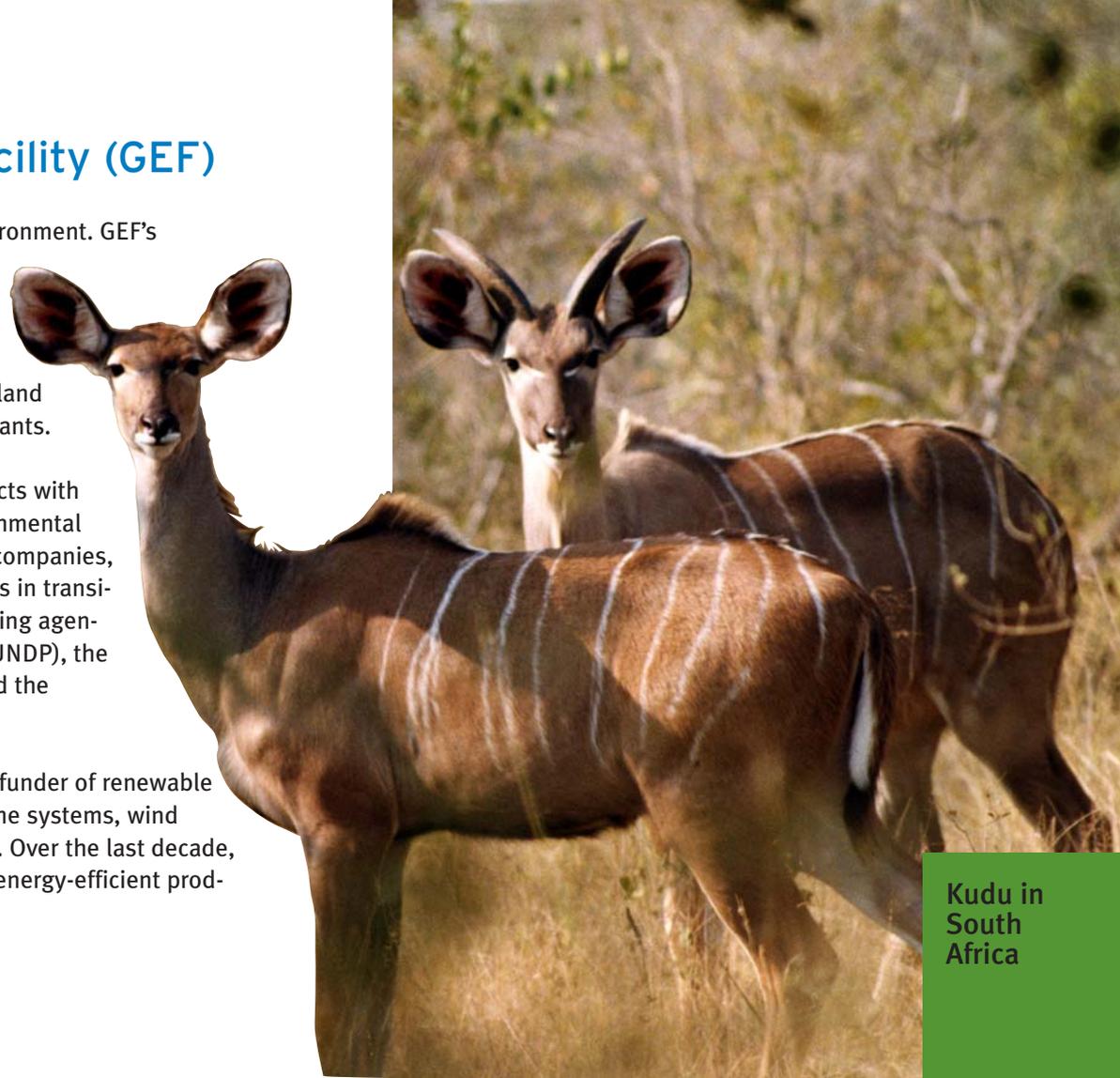
Mohamed T. El-Ashry
CEO and Chairman
Global Environment Facility

The Global Environment Facility (GEF)

GEF is a major catalyst for improving the global environment. GEF's mandate is to make the connection between local and global environmental challenges and between national and international efforts to conserve biodiversity, reduce the risks of climate change, protect the ozone layer, clean up international waters, stop land degradation, and eliminate persistent organic pollutants.

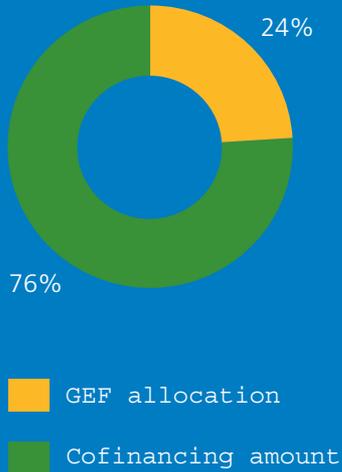
An independent financial entity, the GEF funds projects with practical solutions. Government agencies, nongovernmental organizations (NGOs), national institutions, private companies, and others from developing countries and economies in transition work in partnership with GEF and its implementing agencies, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank.

In the area of climate change, the GEF is the largest funder of renewable energy in developing countries, promoting solar home systems, wind power, and small hydropower, among other projects. Over the last decade, five million energy-efficient lights, along with other energy-efficient products, have been installed through GEF projects.



Kudu in
South
Africa

Leveraging Effects of GEF Support, 1991-2001



The GEF is the major source of funding for the conservation and sustainable use of the earth's biodiversity. The program focuses on both community-based conservation within protected areas and within the broader landscape. An East African project, for example, is helping to control water hyacinth that threaten fisheries, navigation, power generation, and water quality in Lake Victoria.

GEF's influence goes beyond the physical realm to affect policy, which can have long-term effects. The GEF promotes integration of environmental concerns into development plans and national policy into local-level activities. Sixty-three GEF forest conservation projects in 75 countries combine policy reforms with on-the-ground activities.

The GEF catalyzes strategic partnerships to improve the global environment. The GEF itself is a partnership between the United Nations (that is, UNDP and UNEP) and Bretton Woods Institutions (that is, the World Bank). It can succeed in its global environmental mission only as part of a worldwide movement toward sustainable development.

The idea of partnership is intrinsic to GEF projects. In Colombia, for example, the GEF has helped unite a coalition of nearly 50 national and local NGOs, Afro-Colombian grass-roots organizations, universities, and scientific research groups to protect the Chocó region, the world's greatest center for plant biodiversity, from industrial development.

To date, the GEF has approved more than 1,000 projects in 160 developing countries and economies in transition, committing \$4.2 billion in grants. Yet the GEF's imprint is much more widespread. Through cofinancing, it has raised an additional \$11 billion in funding. This impressive leveraging is a reflection of the GEF's philosophy and illustrates the real impact of the GEF's work.

A Sample of GEF Projects

Brazil

The GEF provided funds for local Brazilian technicians to design a biomass gas turbine that runs on the residue and waste from sugar refining, including trash from harvesting and bagasse, a residue from processing, to take advantage of all available energy. Previously, Brazil—the world’s largest producer of sugar—used only part of the sugar waste, or biomass, to drive sugar refinery machines. The new turbines provide twice the available fuel supply, allowing year-round operation and increasing power generation efficiency. In addition, the sugar industry

now has a new commercial opportunity—selling power from its sugar-driven steam turbines. The new technology could have a significant impact on global climate. If the world’s 1 billion-ton sugar cane industry converted its bagasse and field waste into power, use of nearly 250 million tons of oil could be avoided every year. **Implementing agency: UNDP**

Ethiopia

With GEF’s support, Ethiopia has initiated an innovative project that brings together farmers and genetic research institutions to conserve indigenous crops in dynamic agro-ecosystems. To date the outputs of this agrobiodiversity project have included (a) model research and extension programs throughout Ethiopia, (b) seed selection and management that provide breeders of crop varieties with a greater range of genetic materials, and (c) a unique living laboratory for national and international crop varieties. **Implementing agency: UNDP**



Black Sea and Danube Basin

Unprecedented collaboration on a GEF project by 17 Black Sea and Danube River Basin countries is helping save critical marine resources in the region. These countries rely on the Black Sea, the Danube River Basin, and the various tributaries for economic, social, and environmental services. Yet pollution and other human impacts threaten these important waters. For more than seven years, the GEF has been supporting an array of projects that improve the biodiversity, economic, and social values of these marine resources. GEF projects in the region complement one another, emphasizing the importance of a coordinated approach. The projects focus on collaboration, prioritization, and on-the-ground action. **Implementing agencies:**

World Bank, UNDP, UNEP

Sri Lanka

Thanks to new solar home system technology and support from the GEF, rural areas in Sri Lanka that once relied on candles or kerosene lamps are now using the sun's energy for electricity. This solar energy is more effective than grid-supplied power or kerosene. Moreover, the solar light is brighter than kerosene, emits no fumes, and poses no risk of fire. Working with micro-credit organizations and others, the GEF has helped make bank loans for the purchase of solar home systems easier for rural people to obtain. The new loan repayment arrangements make use of the systems less expensive for rural people than use of kerosene. In addition to energy benefits, the new solar systems have also created opportunities for small businesses in the area.

Implementing agency: World Bank

Eastern Europe and Central Asia

GEF has had a significant impact in reducing ozone-depleting substances (ODS) in Eastern Europe and Central Asia. Twenty-seven percent of total global ODS reductions in 1999 were directly attributable to GEF investments. In the 14 countries with the most advanced GEF projects, ODS consumption has been reduced by more than 90 percent. Since 1992, the GEF has been providing grants and assistance to countries that have not been eligible for assistance from the Multilateral Fund for the Montreal Protocol. In particular, the GEF has focused considerable attention on the Russian Federation, one of the world's largest producers and consumers of ozone-depleting substances.

Implementing agency: World Bank

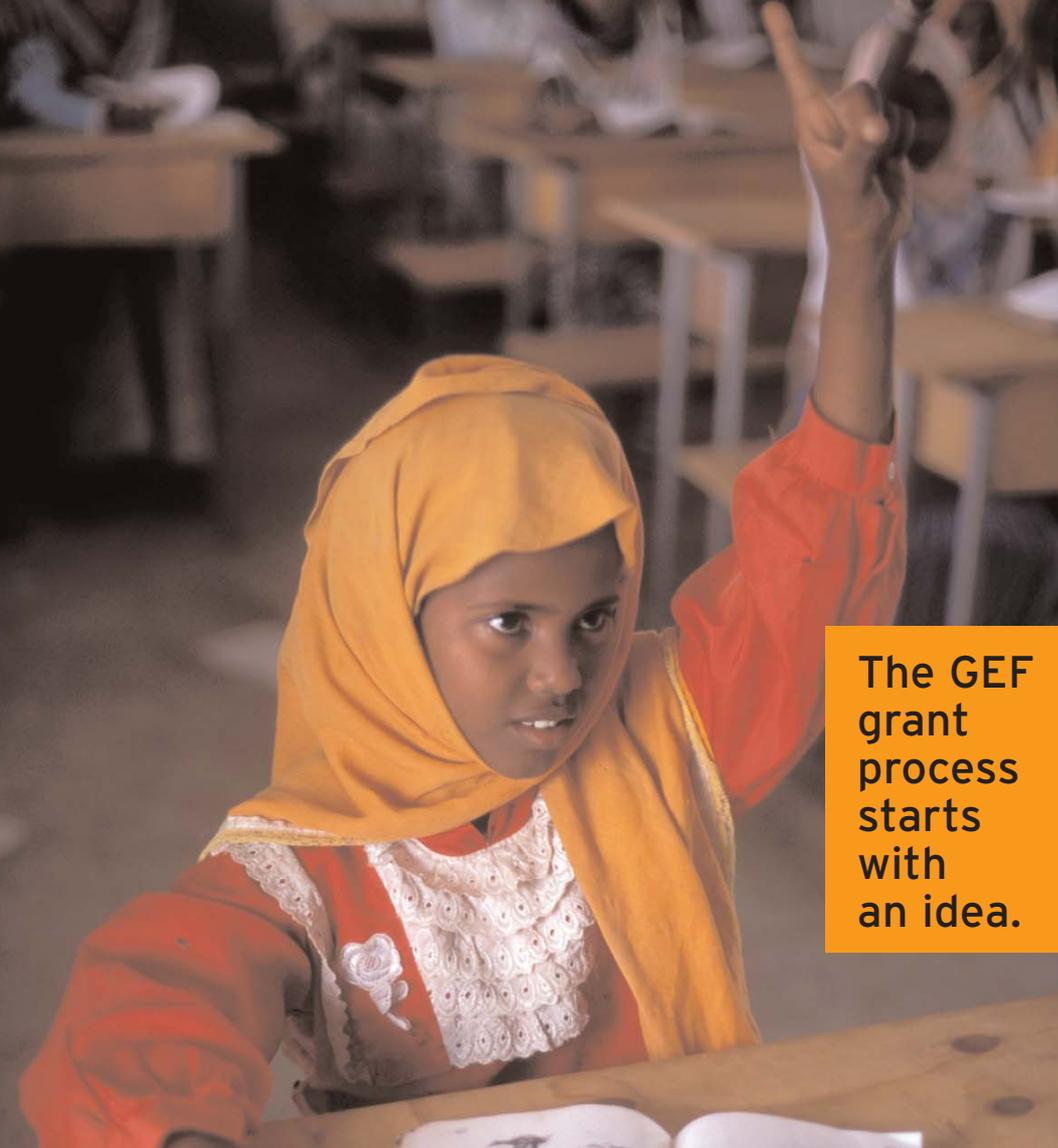
South China Sea

The South China Sea supports a major world fishery and is internationally known for its shallow water marine biological diversity. Countries bordering the sea are among the fastest growing in the world, in part because of the exploitation of their marine resources. To reverse extensive environmental degradation in the South China Sea, the GEF is supporting a project promoting partnerships among the countries and stakeholders in the area. The project includes targeted action programs and a recommended legal framework for improved regional cooperation in management of environmental concerns. An important outcome of the project is a strategic action program that focuses on habitat degradation and loss, overexploitation of fisheries, land-based pollution, and regional cooperation.

Implementing agency: UNEP

An aerial photograph of a massive waterfall system, likely the Iguazu Falls, cascading over a series of rocky ledges. The water is white and frothy as it falls, creating a thick mist at the base. The surrounding landscape is a dense, vibrant green forest. The sky is a clear, bright blue. The overall scene is one of natural grandeur and beauty.

Brazil is famous for its natural beauty and natural resources.



**The GEF
grant
process
starts
with
an idea.**

GEF Grants

A local NGO, a private company, a government agency, a national institution, or others in a developing country have an idea about how to help address an environmental concern—for example, an innovative way to bring renewable energy to a rural area that has no electricity.

Groups seeking GEF funding work through GEF's three implementing agencies or contact GEF's executing agencies: the U.N. Food and Agriculture Organization (FAO), the U.N. Industrial Development Organization (UNIDO), the African Development Bank (AfDB), the Asian Development Bank (ABD), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), and the International Fund for Agricultural Development (IFAD).

GEF provides grants for projects that will either protect or reduce risks to the global environment. The GEF provides small grants and finances medium- and large-sized projects.

To date, the GEF has disbursed more than 2,600 small grants directly to NGOs and community groups in 60 countries through its Small Grants Programme (SGP).

Local UNDP offices are responsible for quickly and flexibly dispersing small grants, up to \$50,000 each, for projects that reconcile global environmental benefits with sustainable livelihoods for local people. Thanks to an SGP grant supporting local community management of the Khama Rhino Sanctuary, the population of white rhinoceros in Botswana has doubled.

Medium-sized grants, which are for projects up to \$1 million, and large-sized grants, which start at \$1 million, go through a more formal process. Because of their complexities, full-sized projects (GEF's most common type of project) can require more time than medium-sized projects to move from idea to implementation.

In addition, the GEF funds enabling activities—that is, activities to help countries prepare national strategies and action plans in fulfillment of their obligations to global environmental conventions.

GEF criteria include the following:

- > **Country drivenness:** The project must reflect the national priorities of the country involved. Any project to be supported by the GEF needs approval of the country's government. The project proposal should be endorsed by the GEF's primary contact person or "focal point" in the country.
- > **Project design/incrementality:** The project proposal must explain what the problem is; what happens if the project is not carried

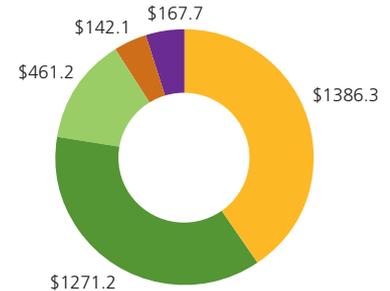
out, especially without GEF support; and what will be accomplished by GEF involvement in the project. The difference between the two scenarios—one with and one without GEF support—is called "incrementality."

- > **Replication:** Experience gained through the project must be transferable to other projects and other countries.

The GEF offers project preparation grants of up to \$25,000. After approval by the GEF Secretariat, a proposal must be fleshed out to communicate details of project design and operation. Funding for this process is available through a GEF project development grant, typically up to \$350,000, but as much as \$1 million for technical design and feasibility work for large-scale projects.

Total GEF Allocation by Focal Area (in millions of dollars)

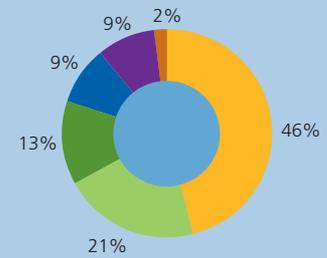
1991-2001



- International waters
- Climate change
- Biodiversity
- Ozone depletion
- Multiple focal areas



Nongovernmental Groups Involved in GEF Projects



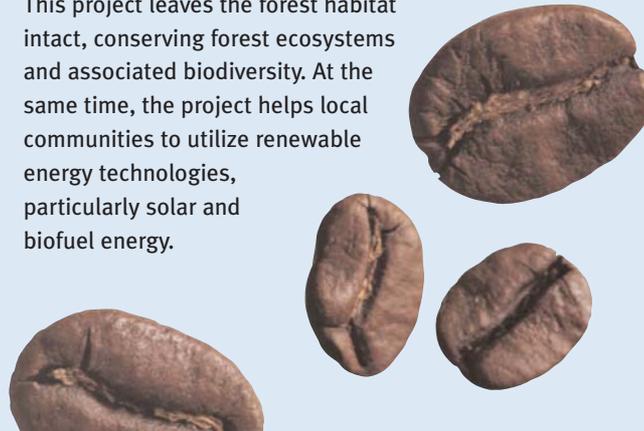
- International private companies
- Regional groups
- In-country private companies
- International groups
- In-country academic institutions
- Local/national groups

The GEF's Partnership with NGOs

Since the GEF's inception, NGOs have had an unprecedented role in shaping the organization. NGOs have worked together with the GEF in a variety of ways, ranging from policy analysis and project planning at the international level to project implementation and monitoring at the local level. They have been strong supporters of and participants in GEF's Small Grants Programme and have spearheaded the GEF's medium-sized projects. Currently, more than 700 NGOs are participating in GEF activities as co-executing agents or service contractors. More than three-quarters of those NGOs are based in developing countries.

GEF's shade-coffee and biodiversity conservation projects illustrate the strong partnership between NGOs and the GEF. NGOs, cooperatives of small-scale farm-

ers, and local communities are executing these projects, which are located throughout the world in countries such as Mexico, Nicaragua, El Salvador, Uganda, Costa Rica, and Vietnam. Shade-grown coffee, which is grown under the canopy of native trees, preserves forests, does not use heavy pesticides or fertilizers (which "sun coffee" requires), and provides income for small-scale farmers. In Nicaragua, a GEF shade-grown coffee and forest conservation project is combining biodiversity conservation and climate protection. This project leaves the forest habitat intact, conserving forest ecosystems and associated biodiversity. At the same time, the project helps local communities to utilize renewable energy technologies, particularly solar and biofuel energy.



History and Structure of the GEF

After three years of pilot operation, the GEF was formally launched in 1994. It was the only new funding source to emerge from the 1992 UN Conference on Environment and Development, the Rio Earth Summit. During its first decade, the GEF allocated \$4.2 billion, leveraging \$11 billion in cofinancing, for more than 1,000 projects in 160 developing countries and countries with economies in transition. Today, the GEF counts 171 countries as members. It is the designated financial mechanism for international conventions on biodiversity, climate change, and persistent organic pollutants; it also supports global agreements to combat desertification and protect international waters and the ozone layer.

Broad representation in the GEF's governing structures reinforces a strong emphasis on participation. Representatives from all GEF member states provide overall direction to the GEF through the GEF Assembly, which meets every four years. The GEF's Council develops, adopts, and evaluates GEF programs; its 32 members represent 16 developing countries, 14 developed countries, and 2 countries with transitional economies. Unique among international financial organizations, the GEF welcomes the participation of NGOs in its deliberations.

For more information about GEF, including an updated list of the GEF's primary contacts in each country, please visit the GEF Web site—www.gefweb.org—or contact the GEF Secretariat:

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*GEF-supported projects
have been able to produce
significant results that
address important global
environment problems.*

*The First Decade
of the GEF: Second
Overall Performance
Study*

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