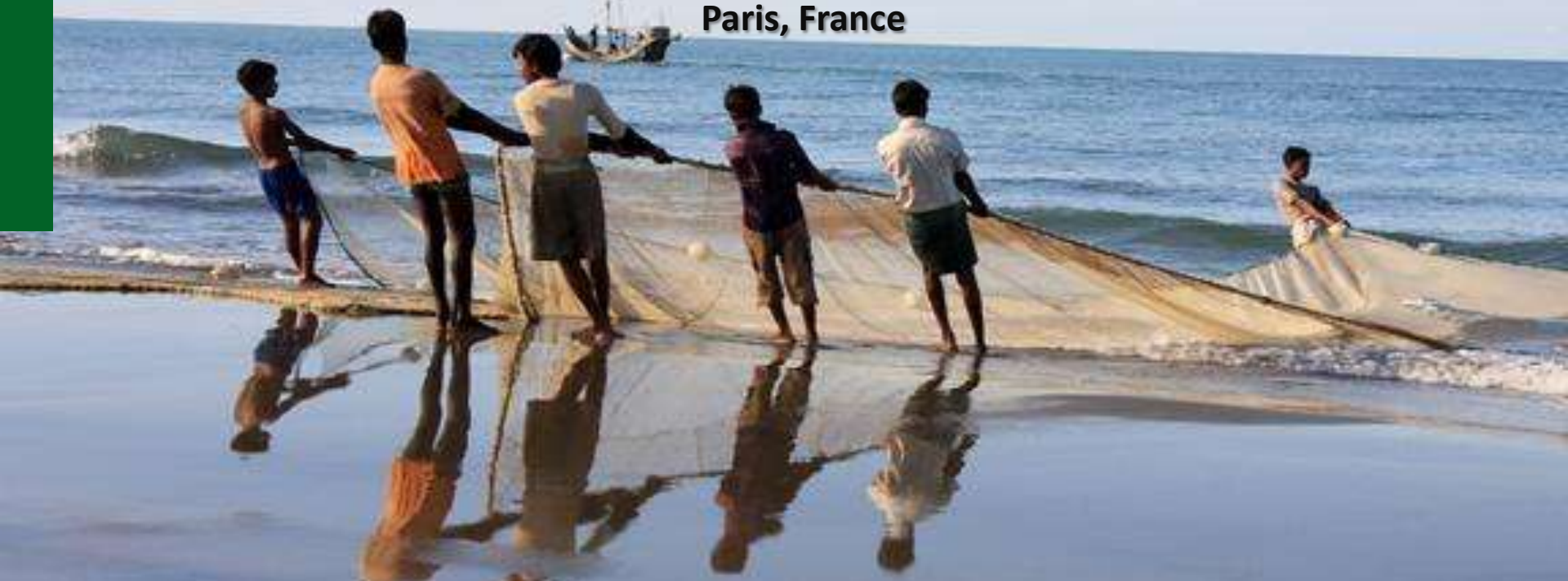


# GEF-5 Programming Document

GEF Replenishment: Third Meeting  
October 14-15, 2009  
Paris, France



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# Background

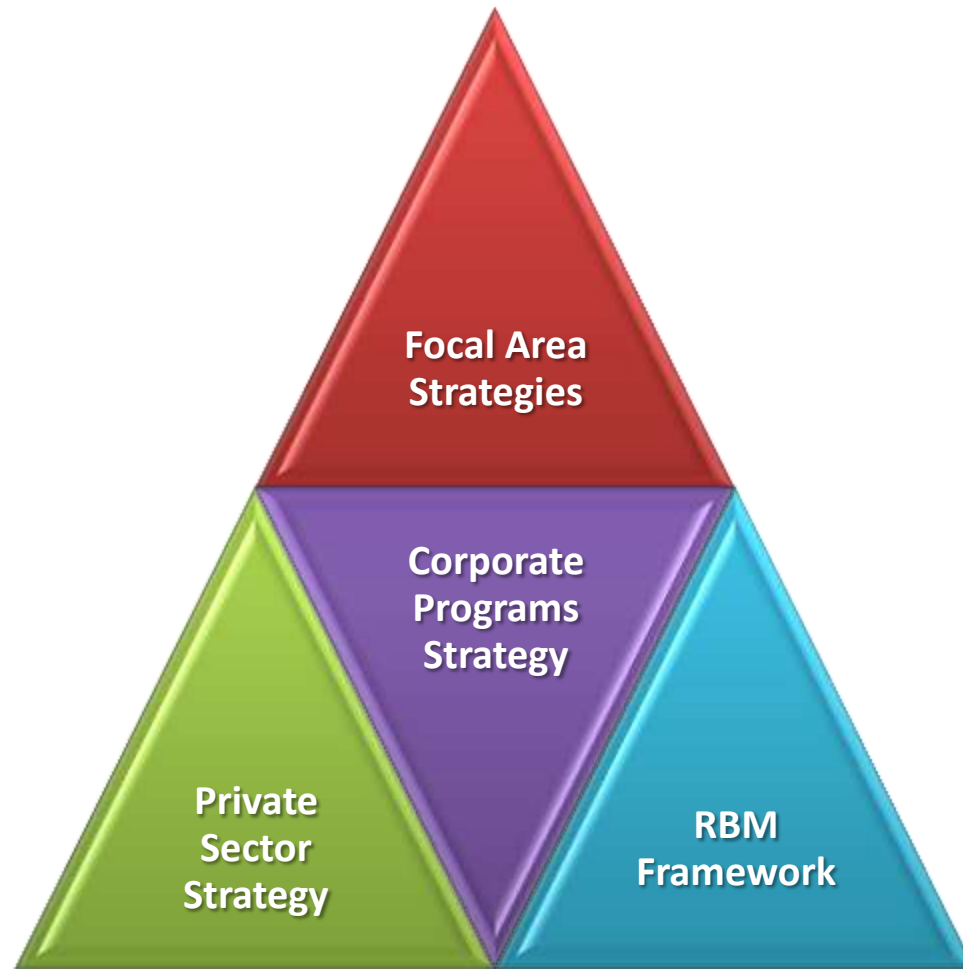
**GEF/R.5/14, Draft GEF-5 Programming Document discussed in June 2009**

**Written feedback from Participants during July-September**

**Inter-agency Consultation on August 26**

**Draft OPS 4 Recommendations**

# Elements of the Programming Approach



# **Transformational Scaling-up – providing framework & incentives**

**Voluntary  
National GEF  
Business Plans**

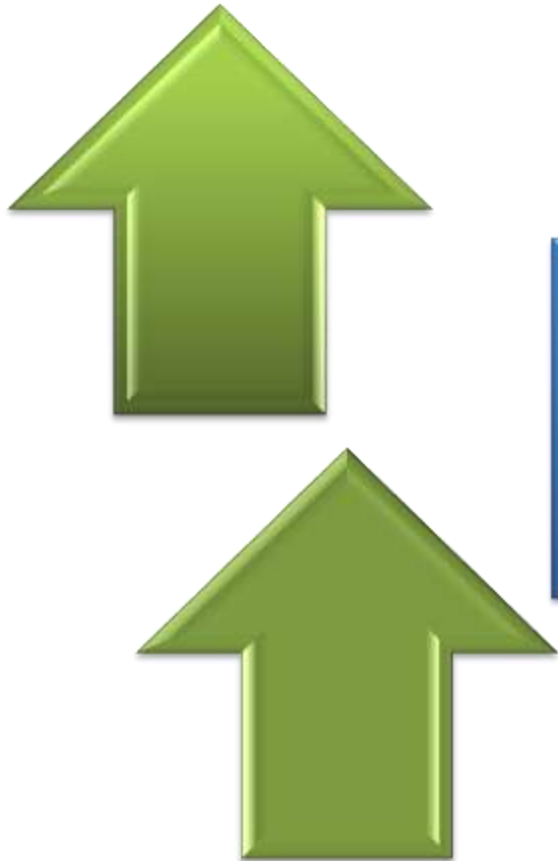
**Sustainable Forest  
Management  
Financing**

**Non-grant  
Instruments**

# GEF Results Chain



# Replenishment Scenarios



\$ 5 billion  
50% increase over GEF-4.  
Increase in all focal areas.

# Focal Area Strategies



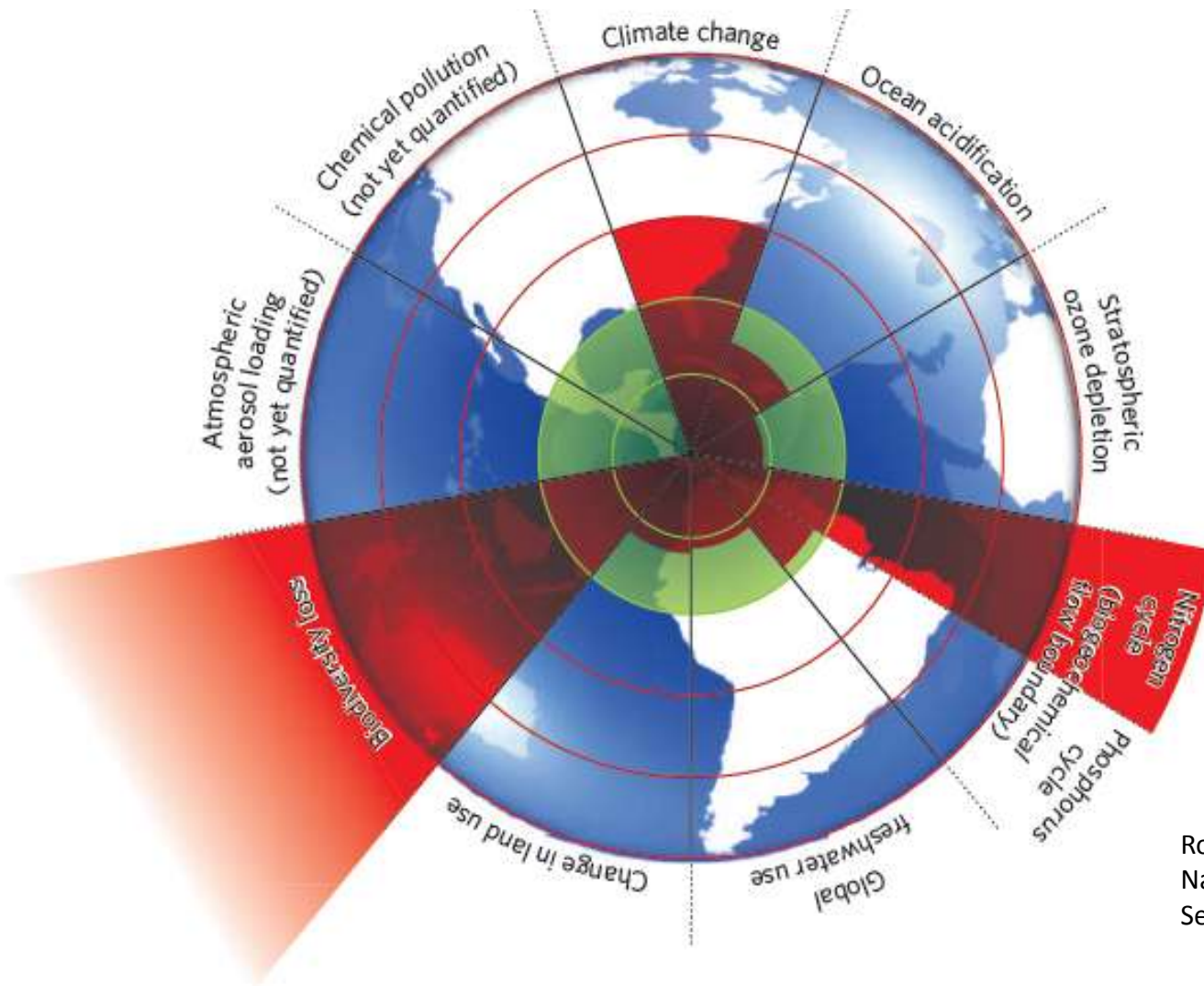
**Natural Resources  
Management**

**Chemicals**

**Climate Change  
Mitigation**



# Multiple Planetary Boundaries (a.k.a. Dangerous Interference)



Rockstrom et al.  
Nature  
September 24 2009



# Natural Resources

Biodiversity, International Waters, Land Degradation and Sustainable Forest Management/LULUCF



# Biodiversity

**Goal:** the conservation and sustainable use of biodiversity and the maintenance of ecosystem goods and services



# Achievements in Biodiversity



- \$ 2.8 billion invested, \$7.6 billion in cofinancing to support 790 projects in 155 countries
- Catalyzed the achievement of the target of 10% of the world's terrestrial areas under protection: 2,302 protected areas spanning 634 million hectares, 700 globally threatened species, 30 billion tons of stored carbon
- Over 30 conservation trust funds
- Over 160 million hectares of productive landscapes and seascapes became biodiversity-friendly
- Pioneer investor on payments for ecosystem services
- Supported National Biosafety Frameworks in 123 countries
- Enabled participation by civil society (e.g., SGP, CEPF)

# Biodiversity Objectives



- ✓ Promote the sustainability and effective management of protected area systems (national ecological infrastructure) by increasing financial revenues and overall institutional capacity
- ✓ Promote representation of all ecosystems types (across marine, freshwater and terrestrial realms) and increase the coverage of threatened species effectively conserved in protected area systems
- ✓ Mainstream biodiversity conservation in production landscapes by fostering the emergence of markets and payments for ecosystem services schemes.
- ✓ Implementation of the Cartagena Protocol on Biosafety
- ✓ Build capacity on access and benefit sharing
- ✓ Support CBD Obligations of Parties (NBSAPs, National Reports)



Biodiversity	\$1.25 billion allocation (\$3.5 billion in cofinancing)
Objective 1: Improve sustainability of protected area systems <b>\$710 million</b>	<ul style="list-style-type: none"> <li>180 million hectares of key habitat effectively managed for the protection of biodiversity and ecosystem functions (up to 8 billion tons of carbon stocks)</li> </ul>
Objective 2: Mainstream biodiversity conservation and sustainable use into production landscapes <b>\$235 million</b>	<ul style="list-style-type: none"> <li>60 million hectares of productive landscapes and seascapes become biodiversity-friendly</li> </ul>
Objective 3: Build capacity to implement the Cartagena Protocol on Biosafety <b>\$80 million</b>	<ul style="list-style-type: none"> <li>Implementation of remaining National Biosafety Frameworks (~70 countries)</li> </ul>
Objective 4: Build Capacity on Access to Genetic Resources Benefit Sharing <b>\$75 million</b>	<ul style="list-style-type: none"> <li>ABS International regime launched with initial capacity building support</li> </ul>
Objective 5: Support CBD Obligations of Parties <b>\$80 million</b>	<ul style="list-style-type: none"> <li>Sectoral and development planning frameworks include biodiversity conservation and sustainable use targets</li> </ul>
Sustainable Forest Management <b>\$70 million</b>	

# International Waters

**Goal:** the promotion of collective management for transboundary water systems and subsequent implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services



# Achievements in International Waters

- Largest investor in shared water systems and prevention of conflicts (172 countries involved in cooperation, mobilizing \$6 billion)
- Largest ecosystem-based program to reverse the depletion of marine fisheries in over 50% of developing country Large Marine Ecosystems (LMEs)
- Catalyzed agreement of 13 regional cooperation frameworks, treaties, or protocols
- Catalyzed multi-country commitments for action in 30 transboundary river or lake basins, 5 transboundary aquifers, and 19 LMEs
- Piloted techniques in experience sharing , knowledge management, and programmatic approaches for sector investments to reduce nitrogen pollution such as in the Danube/Black Sea basin





# Major Developments in International Waters

- OPS-3 strongly recommended the scaling-up of funding in the IW focal area to achieve results before conditions become irreversible
- Scaling-up not implemented in GEF-4 due to reduced funding to IW compared to GEF-3
- OPS-4 review recommended progressive programming to build on foundational capacity and multi-state commitments to collective action
- GEF-5 presents a crucial opportunity to scale up collective action for freshwater basins, aquifers, and marine systems.
- New imperatives in IW relating to climatic variability and change must be integrated into mainstream work



# International Waters Objectives



- ✓ Catalyze multi-state cooperation to balance conflicting water uses in transboundary surface/groundwater basins while considering climatic variability and change
- ✓ Catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems (LMEs) while considering climatic variability and change
- ✓ Support foundational capacity building, portfolio learning, and targeted research needs for ecosystem-based, joint management of transboundary water systems

International Waters	\$500 million allocation (\$1 billion in cofinancing)
Objective 1: Freshwater System Outcomes \$170 million	Regional institutional frameworks for adaptive management; adoption/implementation of reforms in <b>60%</b> of States and demonstration in <b>50%</b> of States in <b>8-9</b> transboundary systems
Objective 2: Coastal and Marine System Outcomes \$220 million	Regional institutional frameworks for adaptive management; adoption/implementation of reforms in <b>70%</b> of States and demonstration in <b>50%</b> of States for <b>8-10</b> LMEs
Objective 3: Foundational Capacity Building and Portfolio Learning Outcomes \$110 million	Multi-state agreed actions on reforms/investments for <b>9-10</b> new waterbodies

# Possible Additional Program in International Waters and Biodiversity

## *Achieving Impact on the Global Blue Forests*

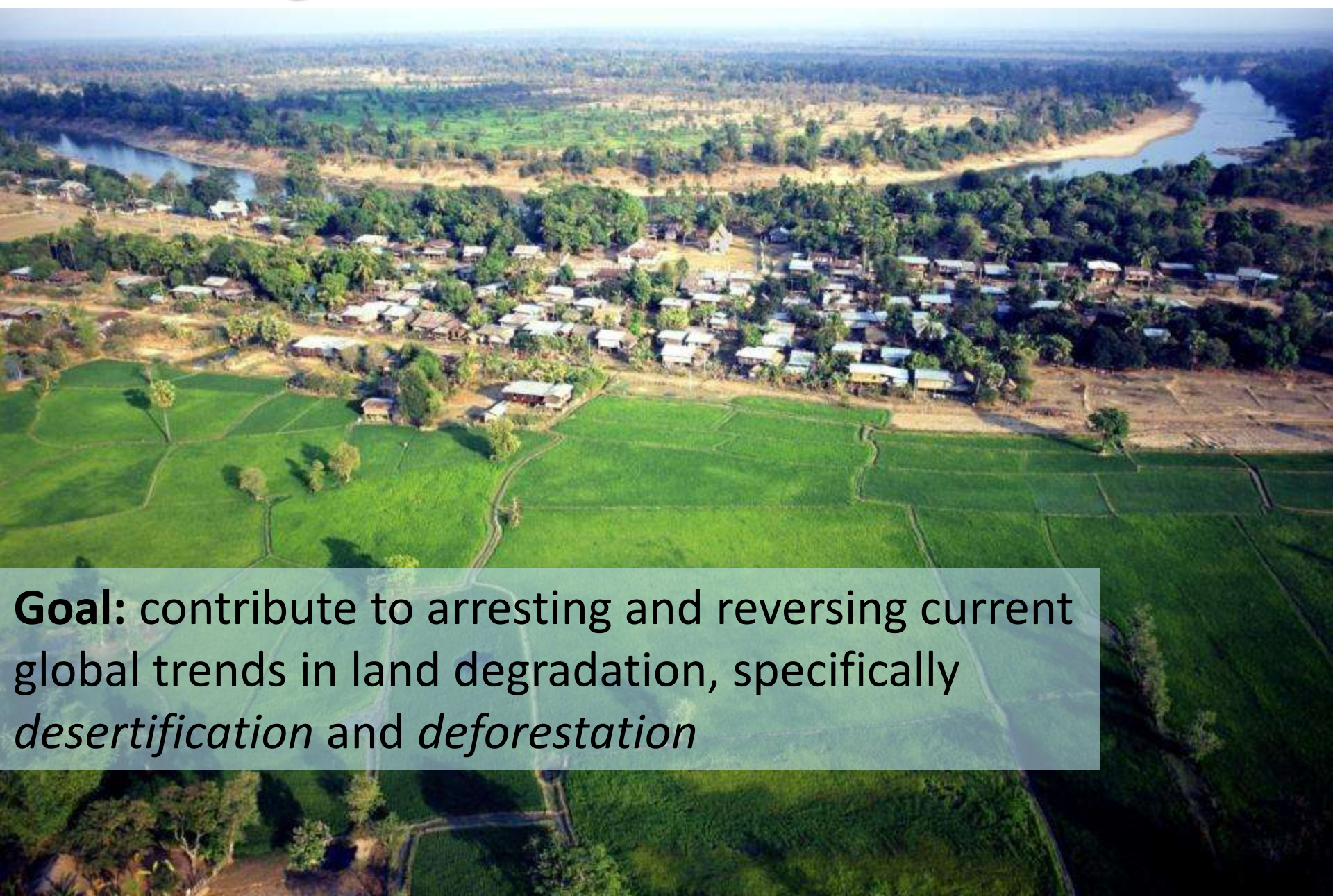
- \$ 350 million from Biodiversity and International Waters (with \$900 million in cofinancing) invested in the conservation and sustainable use of the oceans

### New Objective for International Waters and Biodiversity

- ✓ \$60 million to scale up of impacts for coastal and marine waters through investments, as recommended by OPS3/4
- ✓ \$ 100 million to pilot management in Areas Beyond National Jurisdiction (ABNJ)
- ✓ \$190 million into Marine Protected Areas (MPAs) for 50 million hectares of new MPAs created and effectively managed



# Land Degradation



**Goal:** contribute to arresting and reversing current global trends in land degradation, specifically *desertification* and *deforestation*

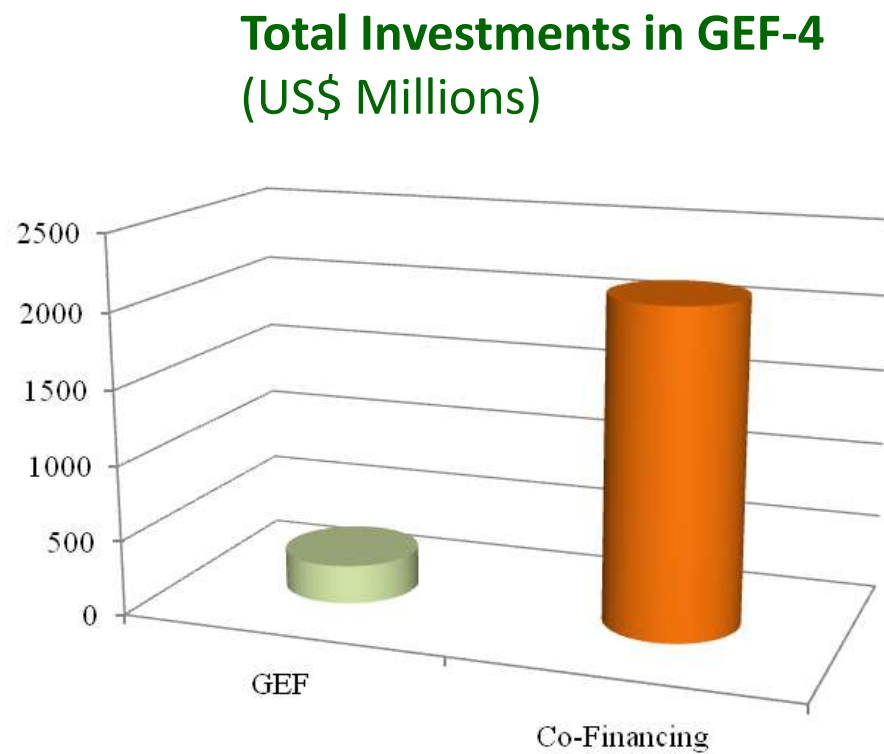
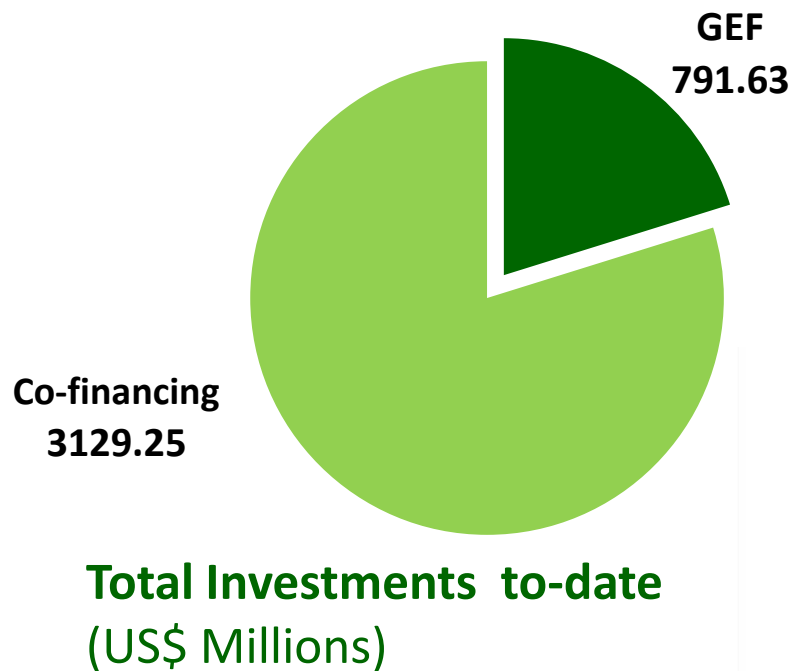
# Achievements in Combating Land Degradation (GEF-3 and GEF-4)



- Responding to Country Demands – **Sustainable Land Management**
  - Investments in more than **40 countries**
  - Country-level Partnerships for **policy, institutional, and sectoral transformations** (China, India, Burkina Faso, Namibia, and Cuba)
- SLM in more than **100 million hectares** of production landscapes, mainly in drylands (UNCCD implementation)
- Leveraging **US\$2 billion** of Regional Development Financing
  - Sub-Saharan Africa: 28 countries (Agriculture and Food Security)
  - Middle East and North Africa: Five (5) countries (Land and Water)
  - Central Asia: Five (5) countries (Dryland Management)

# Achievements in Combating Land Degradation

## *Financial Leverage for SLM*





# Land Degradation Objectives

- ✓ Maintain or improve flow of agro-ecosystem services to sustaining the livelihoods of local communities
- ✓ Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people
- ✓ Reduce pressures on natural resources from competing land uses in the wider landscape
- ✓ Increase capacity to apply adaptive management tools in SLM

Land Degradation	\$500 million Allocation (\$2 billion in cofinancing)
1. Agro-ecosystems services flows \$250 million	Sustainable management of <b>200 million hectares</b> (agriculture and rangelands)
2. Forest ecosystem service flows in drylands \$25 million	Sustainable management of <b>500,000 hectares</b> (forest production landscapes)
3. Integrated management of wider landscapes \$170 million	Integrated management of <b>300 million hectares</b> (mixed land uses)
4. Adaptive management \$25 million	50% of GEF projects address priorities identified in UNCCD 10-year Strategy  50% of GEF projects take up emerging knowledge from targeted research
Sustainable Forest Management \$30 million	


# Possible Additional Program in Land Degradation

## *Addressing Food Security and Resilience to Climate Change in Drylands*

- Target 3-5 major pastoral and rangelands globally for Sustainable Land Management and increased resilience to climate change  
\$40 million
- Initiate a program on fragile savannas for Sustainable Land Management and multiple benefits  
\$60 million
- \$300 million in cofinancing



# Sustainable Forest Management (SFM) & Land Use, Land-Use Change and Forestry (LULUCF)

A photograph showing four indigenous men in a lush green forest. They are all looking upwards with expressions of interest or surprise. In the center, a small animal carcass, possibly a monkey or a small primate, is hanging from a thin branch. The men are shirtless and have traditional markings on their faces and bodies. The background is filled with dense tropical foliage.

**Goal:** Achieve multiple environmental benefits from improved management of all types of forests



# Comparative Advantages on Forest Financing

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- Largest financier of forests: \$1.5 billion supplemented by more than \$4.5 billion in cofinancing; more than 300 projects focusing on forest conservation and management
- Countries can generate multiple environmental benefits through the protection of forest habitats, ecosystem services flows, mitigation of climate change, reflecting the transversal nature of forests globally
- Forest management and conservation are central components of GEF's mandate since its creation; the UNFCCC, the CBD, and the UNCCD all emphasize forests in achieving their Convention objectives
- GEF provides ready-made financing platform by incorporating components and financial contributions from multiple focal areas, in particular land degradation, biodiversity, and climate change



# Recent Developments in SFM/LULUCF



- Forests at the center stage of global environmental policy
- Window to act cost-effectively on forest management and conservation is closing rapidly
- GEF Council approved a SFM Program in GEF-4, increasing demand for forest financing in a short-time span
- GEF has been very responsive to the rapidly growing demand: programmed \$350 million in forest financing during 2007-2009

# SFM/LULUCF Program Objectives

## *An Incentive Program for Countries to:*

- ✓ Strengthen the enabling environment to reduce GHG emissions from deforestation and forest degradation and enhance carbon sinks from LULUCF activities
- ✓ Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services through the introduction of SFM frameworks and tools



Sustainable Forest Management and LULUCF	\$200 million incentive mechanism
Expected financial impact	<ul style="list-style-type: none"> <li>• \$1.5 billion in GEF investments and cofinancing</li> </ul>
GEF SFM/LULUCF Strategy	Enhancement of forest protected area management, integrated watershed management, certification of timber and non-timber forest products or payments for ecosystem services (PES) schemes
Estimated potential for reducing deforestation during GEF-5	1 million hectares
Estimated potential for reducing GHG emissions during GEF-5	0.4-0.7 billion tons of CO <sub>2</sub> avoided from deforestation

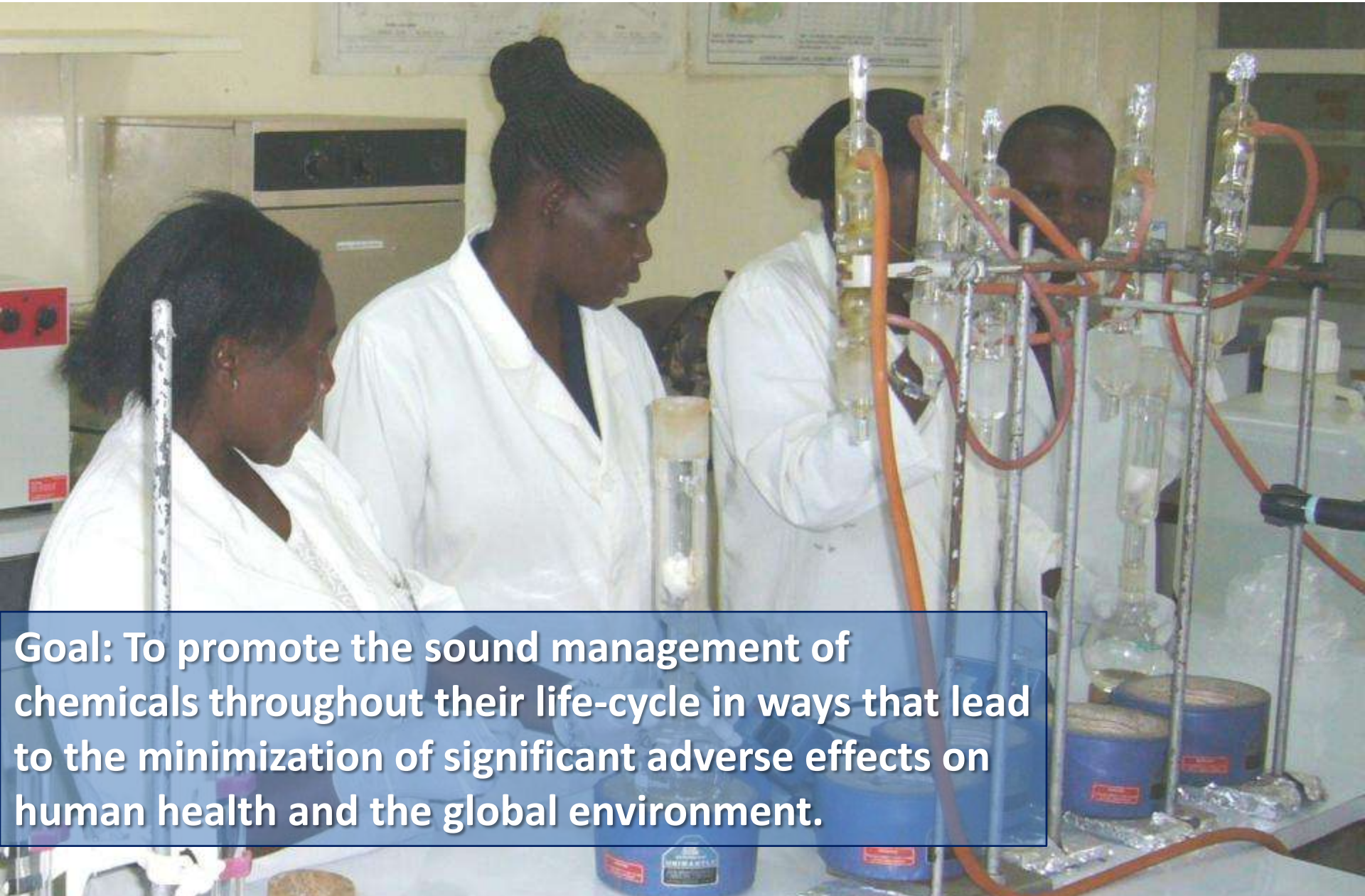
# *Taking SFM/LULUCF to Scale*

## \$400 million incentive mechanism (Up to \$3 billion in investments)

- Promote cost-effective sector-wide reforms in forest management, including combating illegal logging, improving governance of forest resources in 60 countries
- 0.8-1.2 billion tons CO<sub>2</sub> of reduced emissions
- Measurable impact in reducing extinctions in biodiversity-rich and irreplaceable forest habitat



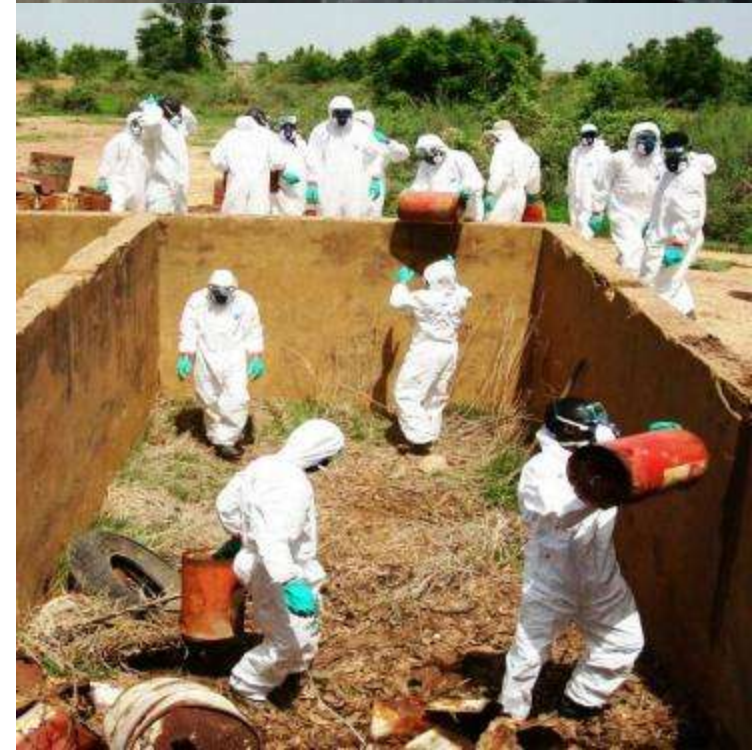
# Chemicals



Goal: To promote the sound management of chemicals throughout their life-cycle in ways that lead to the minimization of significant adverse effects on human health and the global environment.

# Achievements

- \$ 1Bn for Stockholm Convention (GEF \$420m; co-financing \$550m);
- Will lead to environmentally sound disposal of at least 35,000 tons of PCB-related waste...
- And 15,000 tons of obsolete pesticides;
- Over 135 countries developing National Implementation Plans;
- Close to \$200m GEF grant for protection of the Ozone Layer;
- Successful phase out of production and use of CFCs and compliance with Montreal Protocol.





# Major Developments Since 2006

- 166 parties implementing the Stockholm Convention on persistent Organic Pollutants (POPs);
- Nine new chemicals added in May 2009;
- Financial needs estimated at at least \$1Bn per year;
- Strategic Approach to International Chemicals Management (SAICM) adopted;
- SAICM urged the GEF to “consider expanding its activities to facilitate SAICM implementation”;
- Basel, Rotterdam, and Stockholm Conventions decision on enhancing cooperation and coordination;
- Negotiations for a new international agreement on mercury launched.

# Objectives for GEF-5

Central mandate of the GEF:

- Financial mechanism of the Stockholm Convention;
- Support to the Montreal Protocol.

Core objectives for \$500m envelope:

- 1. Reduce POPs use / production / releases; including that of “new POPs”;
- 2. Address the remaining threats to the Ozone Layer.



# GEF-5 Activities and Expected Outcomes

Objectives	Outcomes
POPs \$450m	<ul style="list-style-type: none"><li>• Capacity build for implementation and National Implementation Plans updated;</li><li>• Reduction of production and use of POPs;</li><li>• Reduction of releases – with emphasis on linkages with climate mitigation;</li><li>• POPs waste disposed of.</li></ul>
ODS \$50m	<ul style="list-style-type: none"><li>• Countries meet Montreal Protocol reporting obligations;</li><li>• Pursue HCFC phase-out;</li><li>• Illegal traffic;</li><li>• Pilot destruction.</li></ul>



# Possible Additional Programs

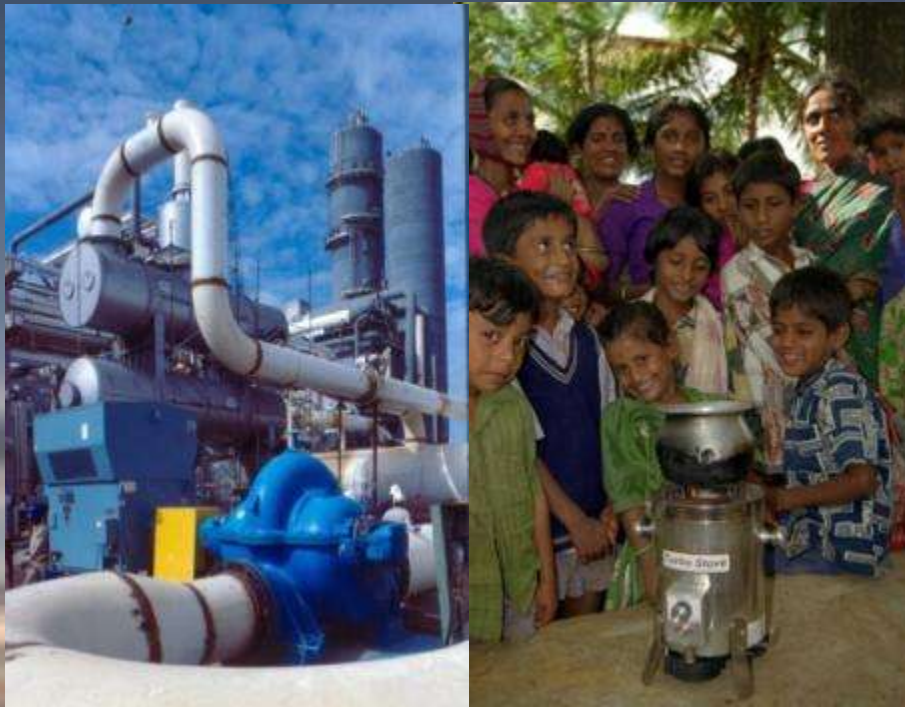
Pilot program on sound chemicals management and mercury (\$100m);

Enhanced work on “new POPs” (\$60m):

- Demonstration of mercury reduction in priority sectors;
- Pilot interventions to reduce persistent toxic substances of global concern;
- Pilot implementation of SAICM priorities to generate global environmental benefits;
- Pilot “new POPs” reduction activities.

# Climate Change Mitigation

Goal: support developing countries and economies in transition towards a low-carbon development pathway



# Achievements

- More than \$2.5 billion invested in more than 130 countries with \$15 billion leveraged in co-financing
  - More than 70% linked to investment projects in energy efficiency, renewable energies, and sustainable urban transport
  - Transfer of more than 30 environmentally sound technologies

Efficient lighting and appliances; EE building materials; EE motors, boilers, chillers; cogeneration; solar water heaters; photovoltaics; small hydro; wind turbines; biomass gasifiers; concentrating solar power, fuel-cell bus, etc.
- More than 2.5 billion tons of CO<sub>2</sub> avoided from GEF projects (less than \$1/ton CO<sub>2</sub>)



# New Mandate on Technology Transfer

- COP14 decision - Poznan Strategic Program on Technology Transfer
  - Tech transfer windows in GEF-4
    - ✓ Support for technology needs assessments
      - ❖ \$9m approved to support up to 45 countries to prepare/update TNAs
    - ✓ Support for technology transfer pilot projects
      - ❖ \$38m TT pilot projects to be approved by Council in November
      - ❖ Demand for TT projects far exceeded available funding.
    - ✓ Dissemination of successfully demonstrated technologies and know-how
  - Requested the GEF to consider long-term implementation of a strategic program on technology transfer
    - Draft GEF-5 strategy featuring technology transfer as a key objective





# Objectives for GEF-5

## 1. Promote low-carbon economic development

- Demonstration, deployment, and transfer of advanced technologies
- Market transformation of EE in industry and buildings
- Investment in renewable energy technologies
- Sustainable transport
- Conservation and enhancement of carbon stocks

## 2. Build capacity for the carbon markets

- Creating legal and regulatory frameworks
- Supporting programmatic CDM
- Innovative financing for carbon finance projects

## 3. Support obligations under the Convention

- National communications to the UNFCCC
- Technology needs assessments





# Expected Achievements: \$5 billion Scenario

	Output and Outcome Targets \$1.78 billion for Climate Change Mitigation
1. Advanced low-carbon technologies (\$350 million)	Demonstration of advanced technologies (e.g., advanced biomass gasification, CSP, IGCC/CCS, second-generation biofuels) in 10-15 countries
2. Energy efficiency (\$350 million)	20-30 countries adopting EE policies and initiatives \$2 billion investment mobilized for EE
3. Renewable energy (\$400 million)	20-30 countries adopting RE policies and initiatives \$1.5 billion investment mobilized for RE 1 gigawatt new RE capacity installed
4. Sustainable transport (\$350 million)	40-50 low-carbon transport programs adopted \$1.5 billion investment mobilized
5. LULUCF (\$200 million, of which \$100 million to SFM)	20-30 countries adopting conservation policies and investing in restoration of carbon stocks Also see SFM targets
6. Enabling activities (\$130 million)	100% of eligible countries receiving GEF funding in accordance with COP guidance

# Possible Additional Programs

- Invest in synergistic, cost-effective projects to maximize climate benefits from HCFC/HFC phase-out (\$150 million)
- Scale up investments in SFM and LULUCF to achieve transformational impact (\$120 million)
- Expand GEF's new role in:
  - Supporting low- and middle-income countries to prepare low-carbon development plans (\$100 million)
  - Building capacity for LDCs and other developing countries to access the carbon markets (\$100 million)
  - Innovative financing for carbon finance projects (\$150 million)

# Enhancing Private Sector Engagement

The Public Private Partnership Initiative of the GEF is open to private sector, foundations, and other partners that will support innovative and market-based solutions for the most pressing environmental challenges in developing countries



# Enhancing Private Sector Engagement – experience with Earth Fund

**\$50 million capitalization during GEF-4.**

**Earth Fund Board established.**

**Earth Fund Platforms approved.**

**\$30 million IFC**

**\$5 million – UNEP Global Lighting**

**\$5 million – CI/WB – Conservation Agreement Private Partnerships**

# Enhancing Private Sector Engagement – future directions

**Strategic use of public-private partnerships (PPP).**

**Recapitalization of the Earth Fund.**

**Structured and operated with reflows for medium to long-term sustainability.**



# Corporate Programs

**Goal; To support countries develop capacity for GEF programming**



# Corporate Programs

## National Business Plans

- Execution by countries with facilitation by Secretariat

## Country Support Program

- Stakeholder dialogues, constituency workshops, Council Member support, Operational focal point support, Knowledge management tool, familiarization seminars

## Capacity Development

- Project management curriculum
- Targeted capacity building for programmatic approaches

## Small Grants Program

- Improved implementation by UNOPS
- Country upgrading

## Conflict Resolution

- Development of a GEF-wide framework



# Results-based Management Framework



# RBM Framework

A Focus on Results





# THANK YOU



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