

GEF NGO Network

Statement to GEF Council 14 June 2007

Climate Change Focal Area Strategy and Strategic Programming for GEF-4

Summary

We support the continued strong emphasis within GEF to address issues related to climate change and the proposal to mainstream adaptation into all focal area programmes.

However we have concerns about the limited focus of the proposed GEF-4 strategy on climate change and believe that it will restrict the flexibility of governments to address top national and international priorities to address climate change.

The current draft GEF-4 strategy on climate change seems to be mainly business as usual with all focus on mitigation of GHG emission through energy efficiency/renewable energy.

No additional resources are identified for Adaptation to climate change and there is no attention or resource allocation for mitigation of GHG emission from Land Use and Land Use change (LULUCF)

Since priorities for GEF4 expenditure on climate change are now meant to be made by countries through the RAF mechanism – the priorities in the GEF 4 Climate change strategies should be flexible and reflect country priorities.

The UNFCCC COP through a number of decisions have emphasised the importance of adaptation and the need for support for this to be provided by GEF. This has been reiterated at many fora including a number of national prioritization exercises related to GEF 4 RAF. Similarly discussions at UNFCCC (COP12 and SB26) have strongly indicated the need to reduce emission from deforestation and other aspects of LULUCF. UNFCCC COP 12 specifically requested GEF to “explore options for undertaking land use and land-use change projects within the climate change focal area of the Global Environment Facility, in light of past experience.”

Recommendation 1

There should be a review of the cost-effectiveness of GEF and other projects in reducing emissions through energy efficiency and urban transport.

Recommendation 2

A new strategic programme on reducing emissions from LULUCF be established including options for countries to undertake strategic assessments, develop strategies to reduce emissions from LULUCF sector, undertake pilot projects to assess effectiveness of different options. Focus should be placed on reducing emissions from natural ecosystems important for carbon storage (such as peatlands and forests) as well as adjusting land management practices to enhance sequestration and storage. Appropriate links should be made with land degradation and biodiversity focal areas.

Recommendation 3

The proposed strategic programme on forest conservation as a means to protect carbon stocks and avoid carbon dioxide emissions should be broadened to include other ecosystem types of importance for carbon storage – in particular peatlands/wetlands and focus on the assessment of appropriate management measures which will maintain stocks and reduce emissions.

Recommendation 4

GEF should focus its limited resources on the rigorous assessments of the impact of the biofuel sector on global environment and climate change and development and promotion of appropriate safeguards and standards - rather than implementing investment projects for biofuel plantations.

Recommendation 5

GEF should continue to support projects on adaptation within the GEF trust fund resources - with a focus on those projects which can generate multiple benefits for global environment including reduce emissions from ecosystem degradation, biodiversity conservation and ecosystem rehabilitation.

Recommendation 6

Civil society should be actively involved in the development of adaptation strategies for all GEF projects to ensure effective engagement and enabling local and traditional knowledge to contribute to the development of adaptation strategies

Concerns on the Climate Change Strategic programmes for GEF 4

Inefficiency of Energy efficiency and transport

We are concerned about cost effectiveness of energy efficiency and transport projects in generating immediate and cost effective reductions in GHG emissions.

The proposed focus of the programme on energy efficiency is on buildings and industry. Work internationally has shown that although such projects generate long term benefits, the short term cost for GHG reduction may be high. Energy efficiency projects proposed for inclusion in the GEF-4 work programme at the current council have a cost for GHG reductions over the project period of up to \$120/tonne and only reduce significantly if time frame is extended to 20 years. The cost for proposed projects for GHG reduction in the transport sector are much higher with costs up to \$600/tonne even over a 10 year period.

Although energy efficiency and public transport projects may lead to significant long term reductions in greenhouse gas emissions – there is a need to prioritise the approaches.

Although there is significant co-funding of the projects (and so the cost per tonne for GEF contributions is much lower) – it may be more suitable for GEF to support projects which are more cost effective in reducing GHG emissions.

Within an earlier GEF Framework for short term response measures it was proposed that GEF should not invest funds in projects which reduce GHG emissions at a cost higher \$10 per tonne of carbon or about \$3 per tonne of carbon dioxide. It may be appropriate to revisit the option to introduce some target for different sub sector to guide project design and cost effectiveness.

Recommendation 1

There should be a review of the cost-effectiveness of GEF and other projects in reducing emissions through energy efficiency and urban transport.

Lack of a programme to address Mitigation of emissions from LULUCF Sector

We are also pleased to see that it is proposed that the Climate Change focal area include a small activity to support land-use and land use change activities and the sustainable management of forests.

However since emissions from LULUCF is the largest source of GHG emission from most GEF recipient countries and reducing emissions from LULUCF is one of the most cost effective measures for GHG emission reduction – we think that this should have a larger focus in the focal area. Addressing LULUCF emissions can be combined with biodiversity conservation, addressing land degradation as well as addressing poverty and development priorities.

The recent IPCC Fourth Assessment Working Group III report highlighted that emission reductions in the LULUCF sector were cost effective compared to other approaches. Highlighted approaches include reducing emissions from deforestation and wetland degradation and restoration of wetlands and forests.

We feel strongly that there is a need for inclusion of a new strategic programme in the main body of the climate change focal area to initiate work to address emissions from the LULUCF sector which in many GEF recipient countries is the main source of GHG emissions. This would enable countries to request funds to undertake assessments or implement pilot projects to reduce emissions from the LULUCF sector, through improved land management practices in agriculture and forestry sectors, rehabilitation of forest and wetlands (especially peatlands) as well as maintaining natural ecosystems important for carbon sequestration and storage.

Recommendation 2

A new strategic programme on reducing emissions from LULUCF be established including options for countries to undertake strategic assessments, develop strategies to reduce emissions from LULUCF sector, undertake pilot projects to assess effectiveness of different options. Focus should be placed on reducing emissions from natural ecosystems important for carbon storage (such as peatlands and forests) as well as adjusting land management practices to enhance sequestration and storage. Appropriate links should be made with land degradation and biodiversity focal areas.

There is reference under the use of global and regional funds of undertaking a joint projects with biodiversity, land degradation and sustainable forest management – but only focused on research into methodology for assessing carbon storage in forests. This is considered too narrow a focus for the following reasons

- a) There is already considerable experience in many regions of the world in assessing forest carbon stocks
- b) According to Targeted research supported by UNEP-GEF - Peatland ecosystems store twice as much carbon as the biomass of all the worlds forests. Therefore any assessments and methodologies should look at the assessment tools for peatlands and other ecosystems as well as forests.
- c) Wetland ecosystems such as peatlands have much greater potential than most forests for long term storage of carbon – as can be seen by the fact that the majority of the worlds coal deposits are formed by peatlands
- c) If such work is intended to guide future GEF actions the focus should be on an assessment of the effectiveness of different management approaches in maintaining or enhancing carbon stock and reducing emissions rather than just assessing.

Recommendation 3

The proposed strategic programme on forest conservation as a means to protect carbon stocks and avoid carbon dioxide emissions should be broadened to include other ecosystem types of importance for carbon storage – in particular peatlands/wetlands and focus on the assessment of appropriate management measures which will maintain stocks and reduce emissions.

Concerns re Energy production from Biomass

We have concerns that the proposed strategic programme on biomass may lead to climate, social and environmental impacts. Currently there a large number cases of negative impact of large scale biomass/biofuel production with local communities and the environment. Many local communities are being displaced from traditional lands to permit large scale biofuel plantations which also affect water resources and the environment at national and regional scale. In some regions GHG emissions from the clearance of forests and peatlands for biofuel production releases more GHG that the projected emission reduction from fossil fuel substitution. Biofuel demand is also enhancing food prices and restricting access.

We welcome the statements in the strategy that strong safeguards are needed to avoid conflicts between the environmental and biomass/biofuel sectors. However given that there is so much private sector and government funding channeled for biofuel production it would be more strategic for GEF to focus on developing safeguards to minimize impacts of biofuel projects.

Recommendation 4

GEF should focus its limited resources on the rigorous assessments of the impact of the biofuel sector on global environment and climate change and development and promotion of appropriate safeguards and standards - rather than implementing investment projects for biofuel plantations.

Adaptation

We are pleased to see “adaptation activities” included in GEF’s mission. It is agreed that adaptation constitutes one of the most important concerns of developing countries in relation to climate change. However, the Network thinks that the support to this area deserves additional attention from the GEF as the strategy indicates that no additional resources other than those identified in GEF 3 (the SPA) would be allocated for adaptation.

We understand that many countries have prioritized adaptation in their consultations related to RAF – but without inclusion in the strategy of a continuance of GEF support for adaptation it will not be possible for them to develop new programmes.

We strongly disagree with the proposal to defer allocation of GEF4 funding for adaptation until an evaluation is completed into the lessons from previous adaptation funding. The SPA is a new programme and the related projects will not be complete for a number of years – therefore it is inappropriate to recommend deferment of new fund allocation until an evaluation is complete. This same approach has not been applied in the other strategic programmes of the Climate change focal area. GEF should follow the clear message from UNFCCC through decision 5/CP7 and other more recent decisions and enhance the level of funds from the GEF trust fund for adaptation activities.

We are also strongly concerned on the statement in Para 34, page 35 which implies that adaptation to climate change should only be considered for GEF support if and when the whole global carbon system is in a state of collapse and or melting of ice sheets disrupts oceanic currents. This is clearly too late for action. The implication is that GEF will not be willing to support adaptation unless such projects address or “solve” climate problems of global scale. However there are many potential adaptation projects which also generate global environment benefits such as reduced GHG emissions or enhanced biodiversity conservation. A clear niche for GEF trust fund support would be to develop, test and promote such multiple benefit climate adaptation approaches – including restoration of floodplain wetlands for flood control and biodiversity, development of coastal forests for storm protection, biodiversity and sequestration, prevention of forest and peatland fires linked to increasing droughts. These projects should be supported through the climate change focal area and not just through other focal areas.

Recommendation 5

GEF should continue to support projects on adaptation within the GEF trust fund resources - with a focus on those projects which can generate multiple benefits for global environment including reduce emissions from ecosystem degradation, biodiversity conservation and ecosystem rehabilitation.

Mainstreaming adaptation

The GEF NGO Network would like to support the proposal that “all projects presented for CEO endorsement are required to consider the impacts of climate change in their results”. In this

regard, the Network supports the mainstreaming of adaptation across all GEF focal areas but without losing sight of the need to support stand-alone adaptation projects.

To enhance mainstreaming there may be a need to simplifying procedures related to co-financing and the concept of global environmental benefits to encourage countries to include specific components on adaptation into projects in other focal areas.

With respect to the adaptation screening tool, the Network members will most welcome any collaboration from the GEF and other agencies.

Finally we feel that adaptation programmes need to take into account local knowledge and local know-how. The role and engagement of the civil society and civil society organisations are important since local development dynamics exist at the rural as well as the peri-urban levels. Local populations have lot of knowledge drawn from the experience of facing drought, desertification and inundations and these could well be used for defining adaptation options, strategies and tools.

Recommendation 6

Civil society should be actively involved in the development of adaptation strategies for all GEF projects to ensure effective engagement and enabling local and traditional knowledge to contribute to the development of adaptation strategies.

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