Global Environment Facility
Introduction Seminar

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

Intro to the GEF:
GEF2020 and GEF 6

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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
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

Graphs showing trends in CO₂, N₂O, CH₄ concentrations, climate change, land degradation, biodiversity loss, water depletion, chemical pollution, and forest loss.
Planetary Boundaries—The Earth Pushed to the Limit

Note: GEF’s areas of work cover most of these issues
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.
GEF STRATEGY—GEF2020
1. Address Drivers of Environmental Degradation

The causal chain of environmental change

Underlying socioeconomic trends
- Population growth
- Rising middle class
- Urbanization

Indirect environmental drivers
- Demand for food production
- Demand for buildings
- Demand for energy
- Demand for transportation
- Other

Direct environmental drivers
- Agriculture production processes that produce food
- Provision/use of transportation
- Construction & use of buildings & other infrastructure
- Production of electricity
- Other

Environmental pressures
- Pollution e.g., GHG’s & ozone-depleting substances
- Change in habitat and species loss
- Introduction of invasive species
- Over exploitation and harvesting
- Other

Changes in state of environment
- Atmosphere (climate)
- Biodiversity
- Land
- Oceans
- Freshwater

Driver interventions
Pressure interventions

Changes in human welfare

GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

www.theGEF.org
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 Sub-Saharan Africa**

An increasing portfolio of multi-focal area projects
3. Enhance Resilience

• GEF Adaptation Program:
  – LDCF, SCCF
  – 124 countries worth US$1.2 billion
  – National adaptation plans (NAPs)
  – Ecosystem based adaptation
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
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
REFLECTIONS ON THE GEF-6 REPLACEMENT
GEF-6: Largest replenishment to date

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

## GEF contributing countries

<table>
<thead>
<tr>
<th>Source</th>
<th>GEF-5 US$m</th>
<th>Share</th>
<th>GEF-6 US$m</th>
<th>Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>G7</td>
<td>2,519</td>
<td>71.6%</td>
<td>2,585</td>
<td>69.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other</td>
<td>939</td>
<td>26.7%</td>
<td>1,043</td>
<td>28.2%</td>
<td>11.1%</td>
</tr>
<tr>
<td>MIC-5</td>
<td>58</td>
<td>1.6%</td>
<td>75</td>
<td>2.0%</td>
<td>30.2%</td>
</tr>
<tr>
<td></td>
<td>3,517</td>
<td></td>
<td>3,703</td>
<td></td>
<td>5.3%</td>
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Note: New pledges only

⇒ Increases across the board, but particularly among MIC-5 (albeit from a low base)
Use of funds—GEF Focal Areas

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
## Use of funds—GEF Recipient Countries

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>GEF6 Allocations (US$mill)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIDS/LDCs</td>
<td>700</td>
<td>30%</td>
</tr>
<tr>
<td>&quot;Big 5&quot;</td>
<td>631</td>
<td>27%</td>
</tr>
<tr>
<td>Other Countries</td>
<td>1007</td>
<td>43%</td>
</tr>
<tr>
<td>... Of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LICs</td>
<td>41</td>
<td>2%</td>
</tr>
<tr>
<td>LMICs</td>
<td>412</td>
<td>18%</td>
</tr>
<tr>
<td>UMICs</td>
<td>523</td>
<td>22%</td>
</tr>
<tr>
<td>HICs</td>
<td>32</td>
<td>1%</td>
</tr>
<tr>
<td>TOTAL Country Allocations</td>
<td>2338</td>
<td>100%</td>
</tr>
</tbody>
</table>

=> Trade-off: “Impact” vs “equity”?
Thank you