



GEF-7: Delivering higher impact

Informal European Donor Meeting

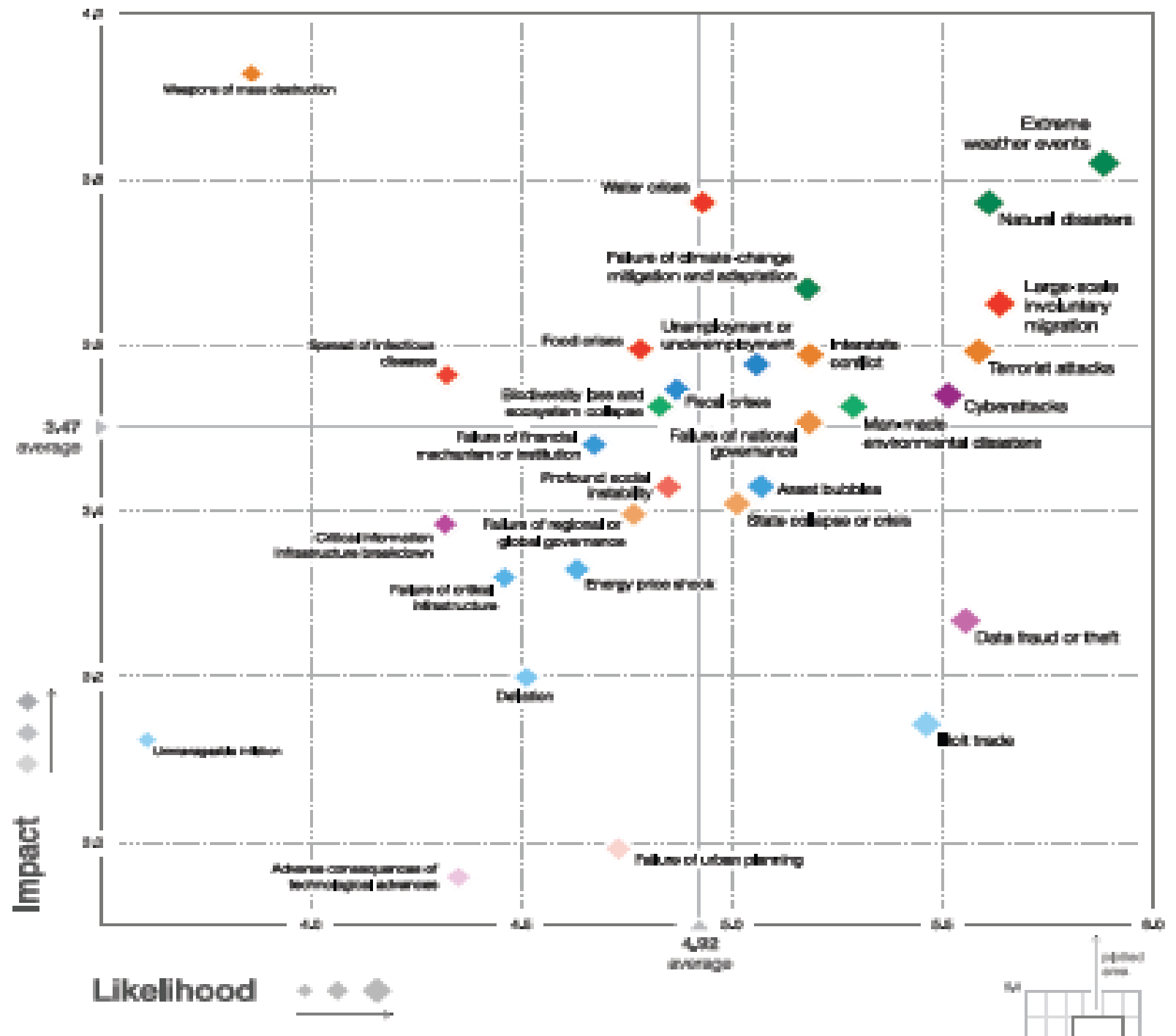
Geneva, January 24, 2017



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

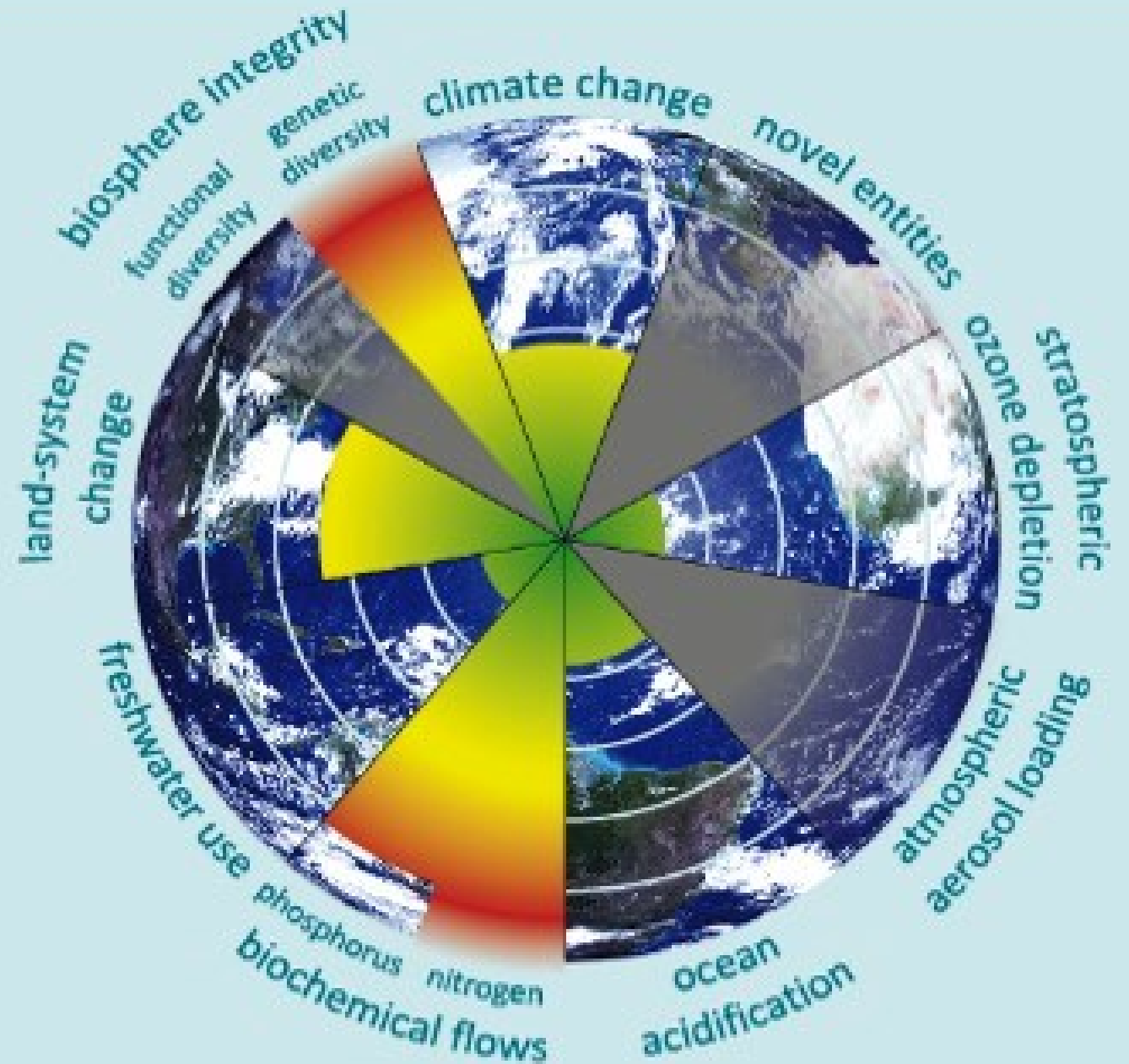
WEF: Environment now considered a major risk

*All 5 environmental
dimensions measured are
considered both high
impact and high likelihood*



Continued, rapid deterioration of the **global commons...**

- Holocene → Anthropocene
- Urgent action required to avoid tipping points and irreversible damage

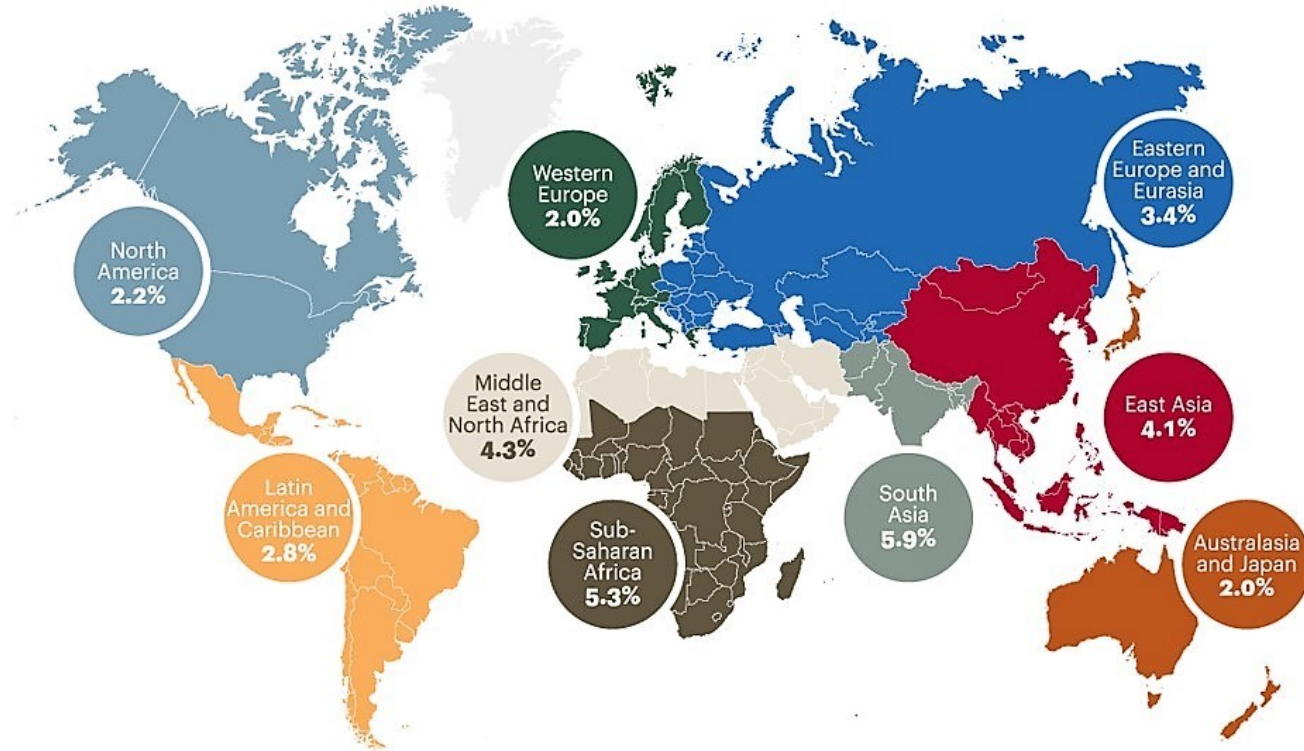


■ Beyond zone of uncertainty (high risk)
■ Within zone of uncertainty (increasing risk)

■ Below boundary (safe)
■ Boundary not yet quantified

Real GDP growth

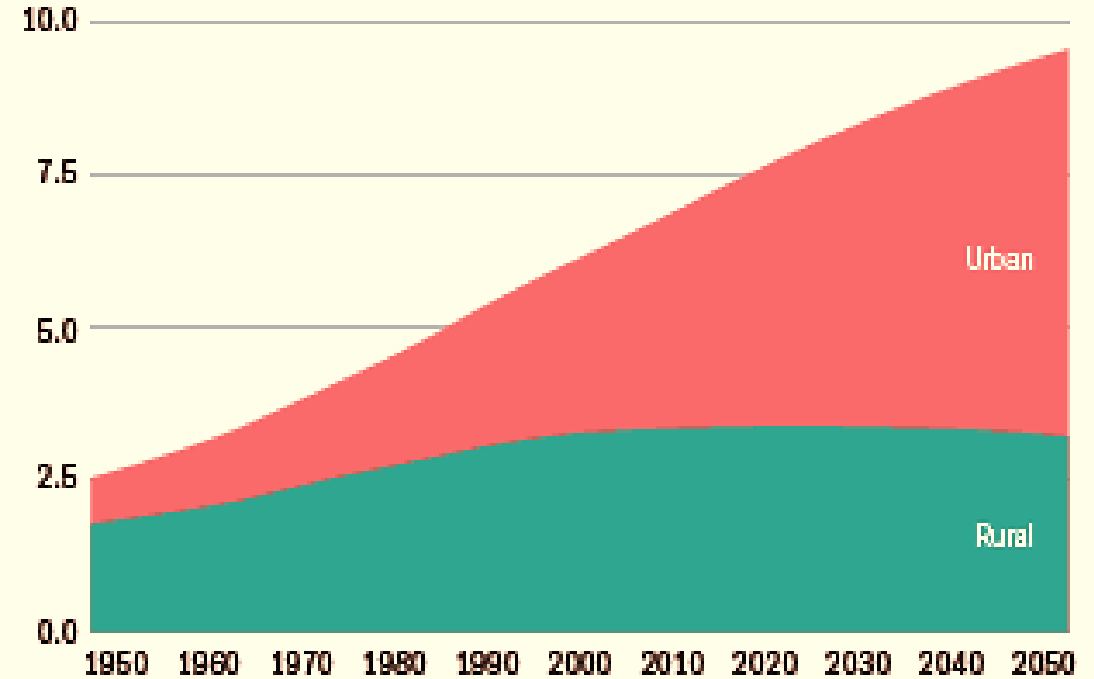
%, 2016–2020 annual average



Notes: GDP figures are the unweighted average of the forecast annual growth rates of the economies within each region between 2016 and 2020. GDP growth is measured at constant prices.

Sources: International Monetary Fund World Economic Outlook (October 2015 and January 2016); A.T. Kearney analysis

World population (billions)



Source: United Nations Population Division, 2014, *World Urbanization Prospects: The 2014 Revision*, New York.

...driven by well-known, **socioeconomic megatrends:**
by 2030: 8.5bn people, 60 per cent in cities, 5bn middle class consumers

60-70% more food needed by 2050

37% of land use

11% undernourished

24% of GHG emissions



Transforming the food and agriculture system

60% of GHG emissions

24% from renewables in 2014

3bn people still rely on wood, coal, charcoal or animal waste for cooking and heating, and 1.1bn lack access to electricity

Energy transtion

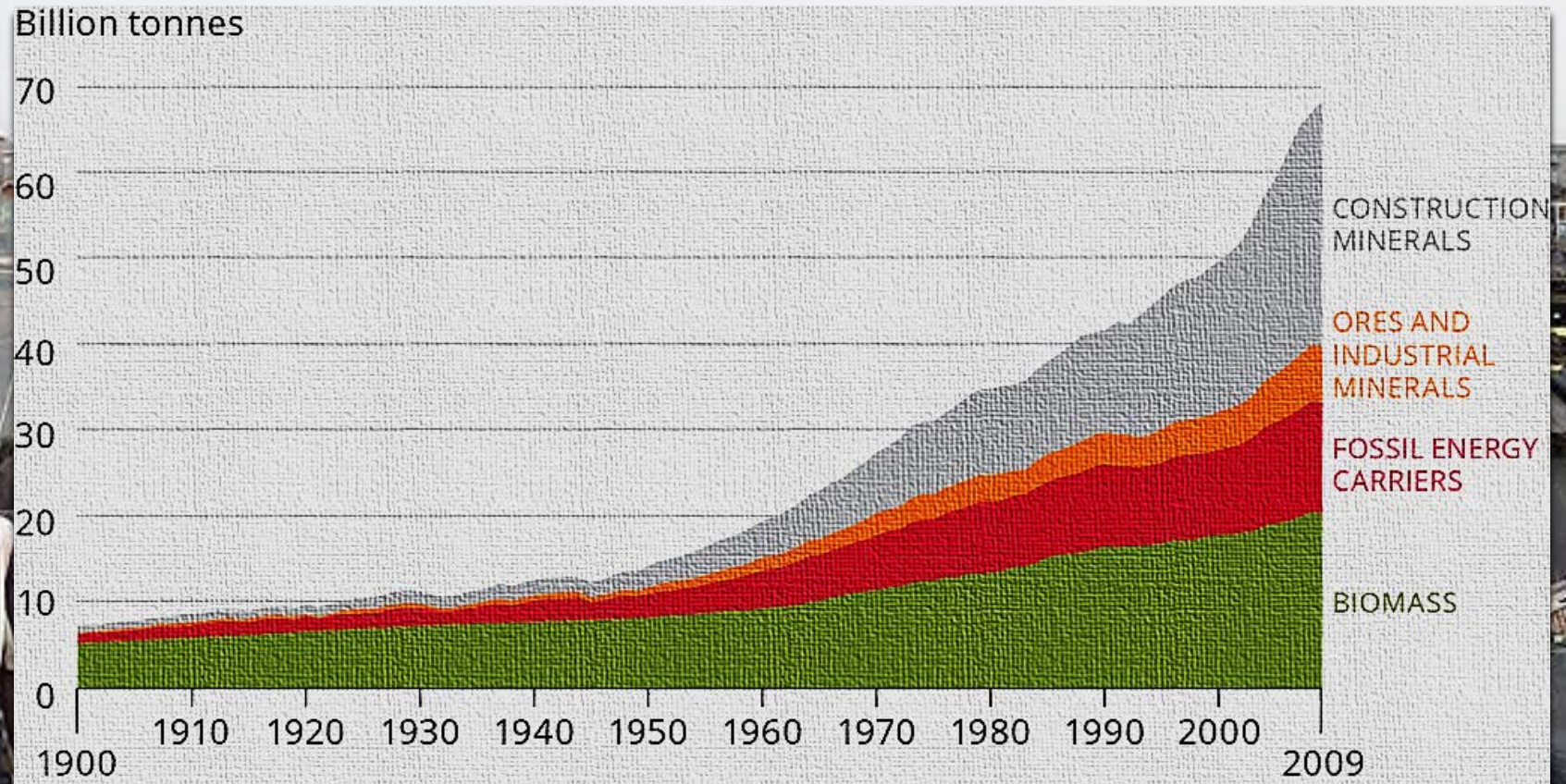
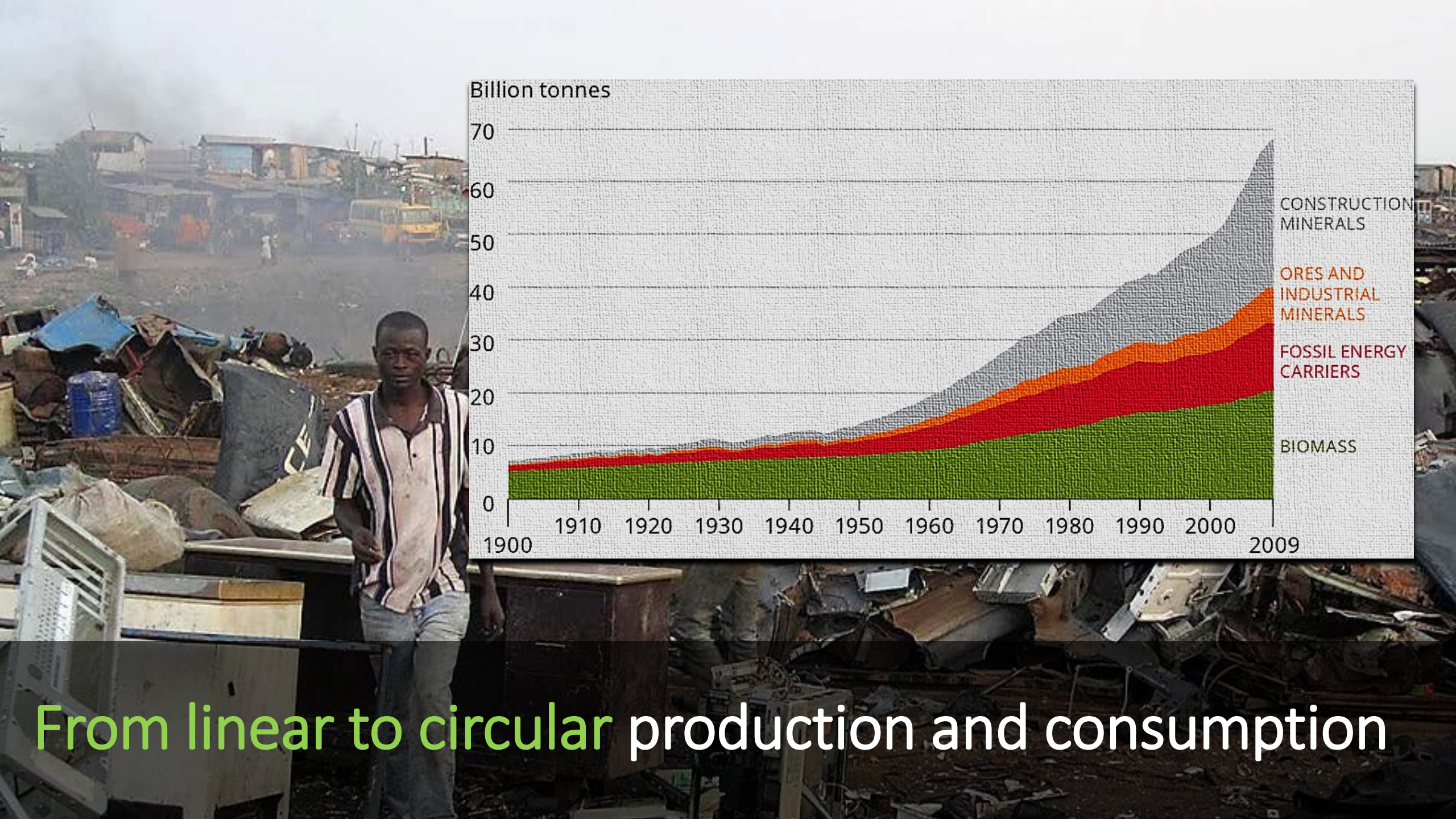
75% of GHG emissions

Outdoor air pollution responsible for 2.9 million deaths per year – about one every ten seconds

6 of the 10 countries with the highest urban growth rates in 2013 were in Sub-Saharan Africa

Transforming our cities





From linear to circular production and consumption

The world is
responding...



SOCIETY



ECONOMY



BIOSPHERE





...and **commitments** have been made

...and coalitions of diverse actors are
pulling together in ways not seen before

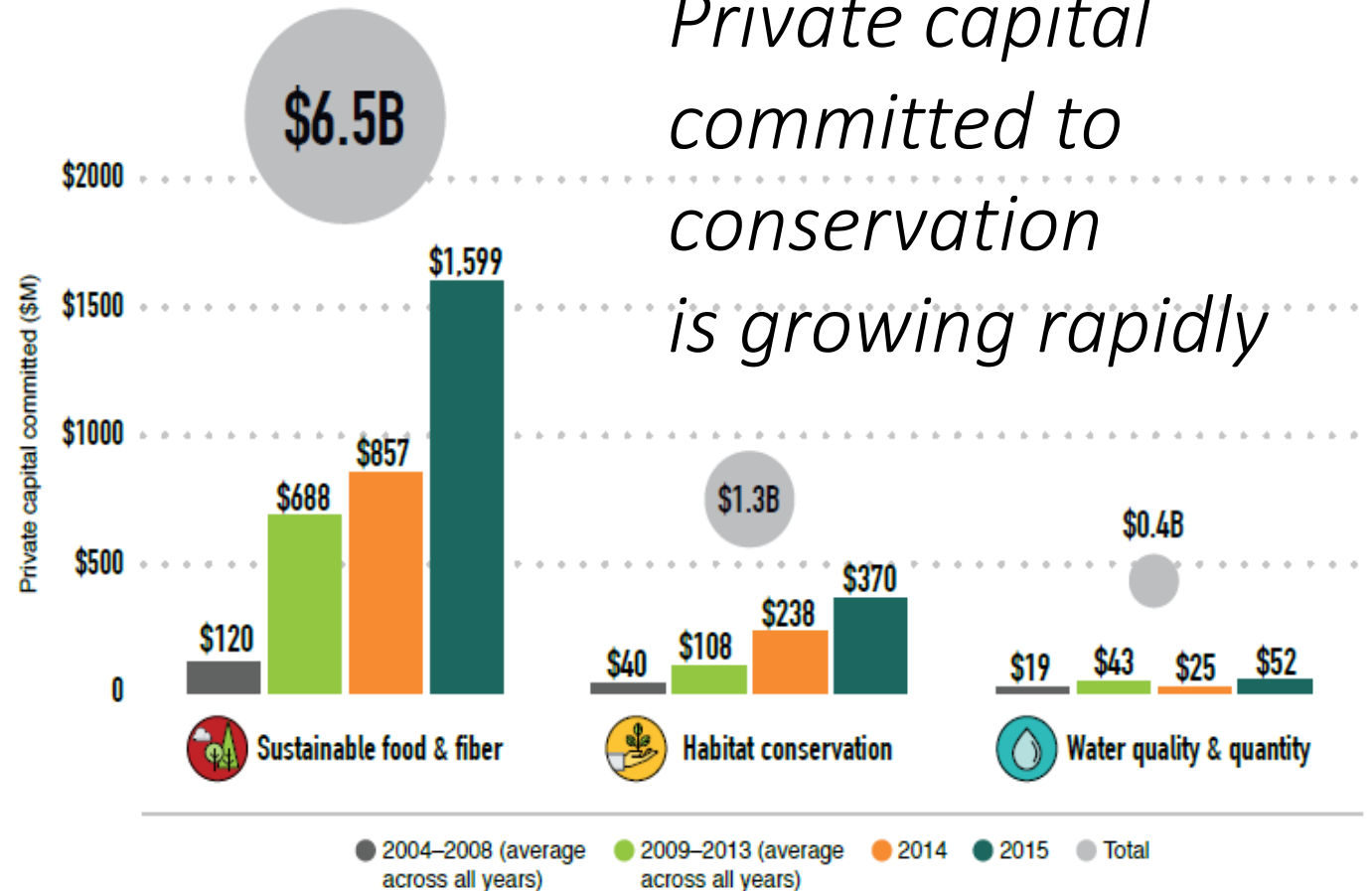
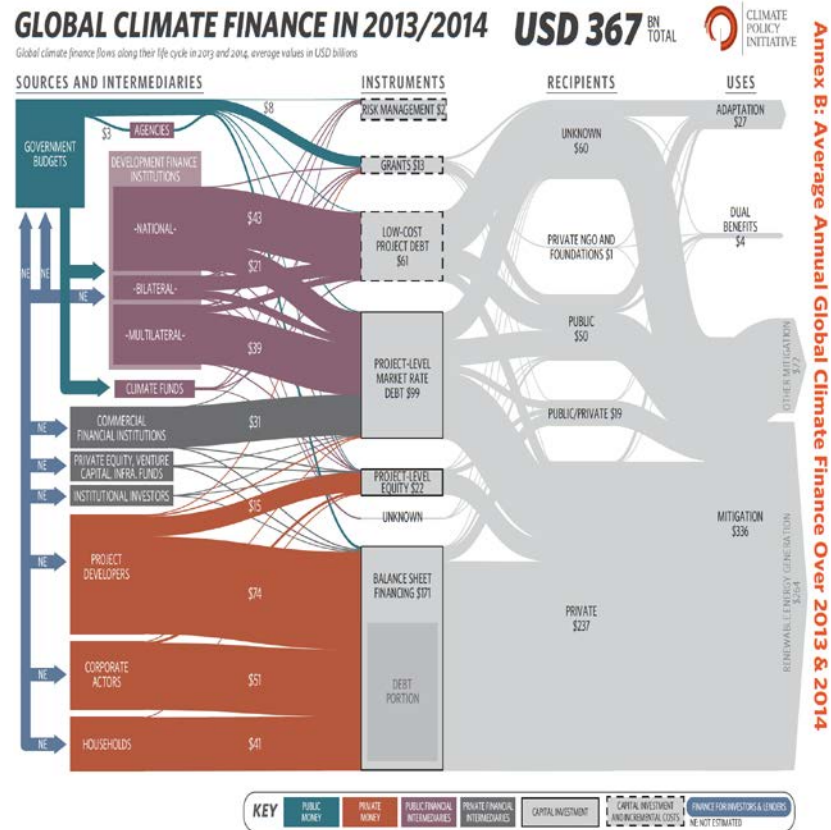
RE 100



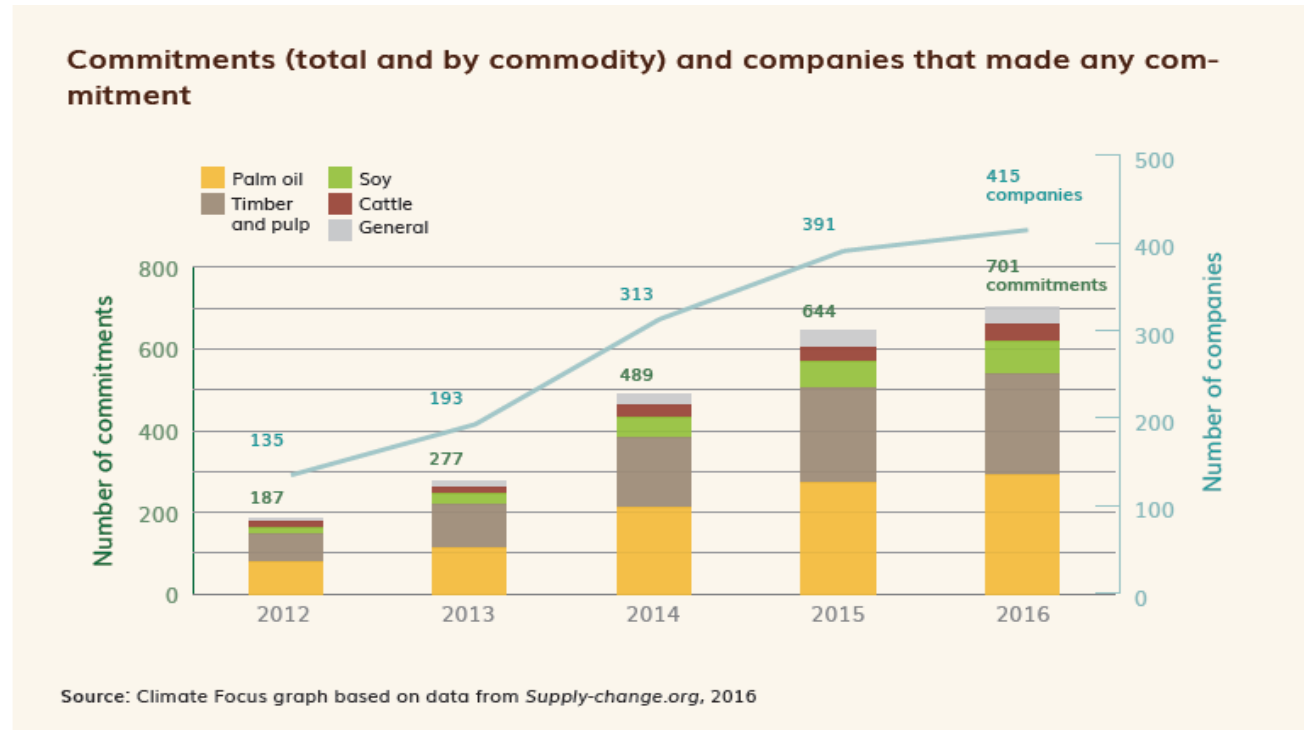
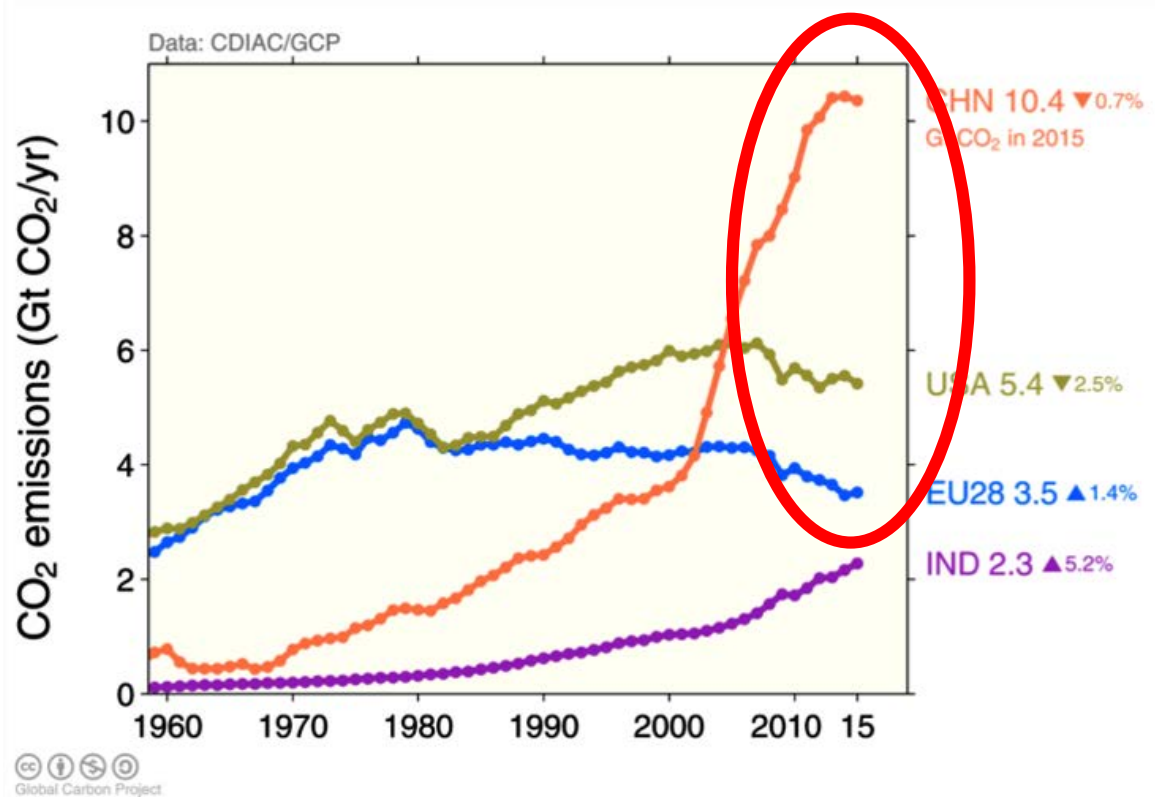
**C4O
CITIES**



The global **financing landscape**, is rapidly changing both in climate and conservation...



There are tentative signs of **systems change**





What does this mean for the GEF?

In the face of the scale and the urgency of the threats facing the planet, and the emerging opportunities to significantly accelerate and scale up its positive impacts, the GEF cannot afford to stand still. It needs to seize opportunities to make a bigger difference.



We must build on our **strengths....**

- **Unique mandate**, covering most Planetary Boundaries, anchored in multilateral environment agreements, allowing GEF to provide integrated solutions to global environmental problems.
- **“Boutique” institution**, able to deploy specialized, catalytic funding
- **High level of credibility**, with a broad range of partners

...and overcome our **constraints**:

- **Satisfactory performance across the portfolio, yet limited systemic impact:** need to be more ambitious, need to maximize the transformative potential of the GEF's investments
- **Fragmentation:** with limited resources spread thin, the GEF struggles to attain sufficient scale and, as a result, to attract the most relevant actors; median GEF project @ \$2million has been unchanged since GEF4
- **Country ownership:** often operates only at the margins of national budget, planning and policy frameworks
- **Partnership and business model not sufficiently well equipped for private sector :** progress notwithstanding, only 13 per cent of GEF-6 projects to date include private co-financing
- **Declining engagement by banks:** as a result of the above factors, and others, the nine development banks and IFIs account for only 31 per cent in GEF-6 to date

Therefore, in GEF-7, **we need to:**

- **be more focused and selective**—reduce the thematic and financial fragmentation
- **mobilize and strengthen diverse coalitions of actors**, especially to leverage the private sector
- **respond more effectively to country priorities**, e.g. INDCs and NBSAPS

... in order to address the major drivers of environmental degradation by supporting integrated actions for systems change and deliver multiple global environmental benefits

Assessing **national priorities** as expressed in INDCs, NBSAPs and COP guidance

	AFR	ASIA	ECA	LAC	SIDS	Total
Restoration and Reforestation	98%	100%	96%	100%	97%	98%
Energy	98%	100%	88%	90%	97%	95%
Food Systems	98%	100%	83%	100%	91%	94%
Sustainable Cities	96%	94%	83%	80%	94%	91%
Environmental and Water Security	94%	100%	58%	95%	91%	88%
Resilience	98%	100%	63%	80%	91%	88%
Fisheries	75%	82%	67%	85%	85%	78%
Natural Capital	73%	76%	50%	85%	71%	71%
Healthy Oceans and Coastal Systems	58%	71%	54%	80%	76%	66%
Green Financing	60%	65%	50%	80%	56%	61%
Green Infrastructure	40%	53%	25%	60%	29%	39%
Commodities	6%	18%	0%	50%	3%	12%
Amazon Landscapes	-	-	-	89%	-	89%

Impact Programs: carefully targeted, catalytic investments that contribute to systems change

- Commodities
- Food Systems
- Sustainable fisheries
- Restoration and reforestation
- Energy
- Green infrastructure
- Sustainable cities
- Conservation equity
- Healthy oceans
- Circular economy
- Environmental and water security
- Resilience
- Amazon landscapes
- Natural capital
- Green financing
- Private sector/ NGI

Stronger focus on results and multiple benefits

Focal Areas	BD, IW		CCM, LD			C&W
GEBs	Biodiversity		De-Carbonization/Reduced Emissions			Reduced Pollution/Waste
Indicators	Species with improved status (#), Protected Areas created in Landscapes / Seascapes (Hectares)	Proportion of Fisheries Managed Sustainably, Freshwater Resources Managed Sustainably (%)	Area of Sustainably Managed Landscapes (hectares)	Areas with Deforestation Reduced (Hectares), Forest Stocks Conserved (Tons)	Emissions avoided (Tons of CO ₂ e)	Quantity of Pollutants, Waste Reduced or Eliminated (Tons)
Impact Programs						
Energy						
Commodities						
Food Systems						
Land Restoration						
Sustainable Cities						
Conservation Equity						
Sustainable Fisheries						
Amazon Landscapes						
Green Infrastructure						
Healthy Oceans						
Circular Economy						
Environmental and Water Security						
Natural Capital						
Resilience						
Green Finance						
Private Sector/NGI						
Other programing priorities						

Primary

Impact Program contributes directly to the GEBs

Secondary

Impact Program contributes indirectly to the GEBs

The example of **biodiversity loss**

Major driver – habitat loss caused by agriculture

- Conservation actions (such as expansion of protection areas) are **not sufficient**
- Arresting deforestation caused by agriculture, both big and small, international and domestic, requires a **multi-scale, multi-stakeholder approach across the food system**

What the GEF can do?

- Partner with agribusiness, governments (national and local) and CSOs **along the supply chain**
- Strengthen existing **coalitions** (GAA, TFA, CGF, responsible suppliers RT) and incorporate the concept of global environmental sustainability
- Possibly finance transition of small holders, knowledge sharing, dialogue between stakeholders (governments vs business / CSOs) , take risks of private investment
- Support efforts for restoration (i.e., Bonn Challenge)

Supported by continued institutional and policy improvements

- Strengthening the GEF's ability to engage with key actors: private sector, relevant national counterparts (including ministries of finance), civil society, development banks
- Reviewing the GEF's resource allocation framework and incentives
- Reviewing the use of non-grant instruments and co-financing
- Mainstreaming resilience across GEF investments
- Accelerating mainstreaming of gender equality and women's empowerment
- Enhancing uptake of lessons and best practices
- Enhancing transparency in governance and operations
- Improving operational efficiency and portfolio monitoring
- Strengthen ability to manage exchange rate risks
- Exploring options for mobilizing alternative sources of funding

Thank you!

