



# INNOVATIVE FINANCING FOR THE GLOBAL ENVIRONMENT

## GEF'S NON-GRANT PILOT

Drawing on its experience in utilizing debt, equity and guarantee products in the past, the GEF is now launching a \$110 million pilot program to demonstrate and validate the application of non-grant financial instruments to combat global environmental degradation.

The GEF offers attractive financial terms for both public and private sector recipients as follows:

FINANCIAL TERMS FOR GEF'S NON-GRANT PILOT	
DEBT, EQUITY AND GUARANTEE PRODUCTS FOR THE PRIVATE SECTOR	CONCESSIONAL LOANS FOR THE PUBLIC SECTOR <i>(LDC/SIDS and Other Countries)</i>
✓ Flexible, concessional terms decided on a case-by-case basis; minimum level of concessionality to avoid displacing other finance	✓ 10 years grace period ✓ Interest rate 0.25% or 0.75% ✓ Maturity 40 or 20 years

The resources can be used for projects that deliver global environmental benefits in one or several GEF focal areas, including biodiversity, climate change, international waters, land degradation and chemicals and waste management. The funding size is flexible and expected to range up to approximately \$15 million per project.

Proposals are especially encouraged if they: (i) demonstrate innovative private and public sector application of financial mechanisms, business models, partnerships and approaches for achieving the objectives of GEF-6 focal area strategies that may be broadly adopted and can be scaled up; (ii) entail high levels of co-financing and focus on areas other than climate change.

The GEF invites private and public sector recipients to propose projects through eligible GEF Partner Agencies in two phases:

PHASE I	Proposals should be submitted by mid-March 2015 (tentative) for Council decision by June 2015;
PHASE II	Proposals should be submitted by mid-August 2015 (tentative) for Council decision by November 2015.

## ABOUT THE GEF

The Global Environment Facility is a partnership for international cooperation where 183 countries work together with international institutions, civil society organizations and the private sector, to address global environmental issues.

Since 1991, the GEF has provided \$13.5 billion in grants and leveraged \$65 billion in co-financing for 3,900 projects in more than 165 developing countries. For 23 years, developed and developing countries alike have provided these funds to support activities related to biodiversity, climate change, international waters, land degradation, and chemicals and waste in the context of development projects and programs.

Through its Small Grants Programme (SGP) the GEF has made more than 20,000 grants to civil society and community based organizations for a total of \$1 billion.

Among the major results of these investments, the GEF has set up protected areas around the world equal roughly to the area of Brazil; reduced carbon emissions by 2.3 billion tonnes; eliminated the use of ozone depleting substances in Central and Eastern Europe and Central Asia; transformed the management of 33 major river basins and one-third of the world's large marine ecosystems; slowed the advance of desertification in Africa by improving agricultural practices—and all this while contributing to better the livelihood and food security of millions of people.

During the latest replenishment of the GEF (GEF-6) 30 donor countries have pledged the record amount of US\$4.43 billion to support developing countries' efforts over the next four years to prevent degradation of the global environment.

## GEF PARTNER AGENCIES

Asian Development Bank (ADB)  
African Development Bank (AFDB)  
Conservation International (CI)  
Development Bank of Southern Africa (DBSA)  
European Bank for Reconstruction and Development (EBRD)  
Food and Agriculture Organization of the United Nations (FAO)  
Inter-American Development Bank (IADB)  
International Fund for Agricultural Development (IFAD)  
International Union for Conservation of Nature (IUCN)  
United Nations Development Programme (UNDP)  
United Nations Environment Programme (UNEP)  
United Nations Industrial Development Organization (UNIDO)  
The World Bank  
World Wildlife Fund (WWF-US)

Further details can be found in document GEF/C.47/06/ *GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments*. Potential private sector or public sector applicants are encouraged to contact GEF Partner Agencies to discuss project concepts and submission requirements before offering written proposals.

## CONTACT THE GEF SECRETARIAT

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