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GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

The Global Environment Facility

Training Workshop on Climate Finance Access in the Arab States
18 – 20 September 2022, Tunis, Republic of Tunisia



GEF overview

- Established on the eve of the 1992 Rio Earth Summit to help tackle our planet's most pressing environmental problems.
- The GEF's role is to support developing countries to prioritize environmental action that delivers global environmental benefits.
- The GEF is the largest and most experienced multilateral fund dedicated to addressing environmental threats to the planet.

Session 2



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GEF Focal areas

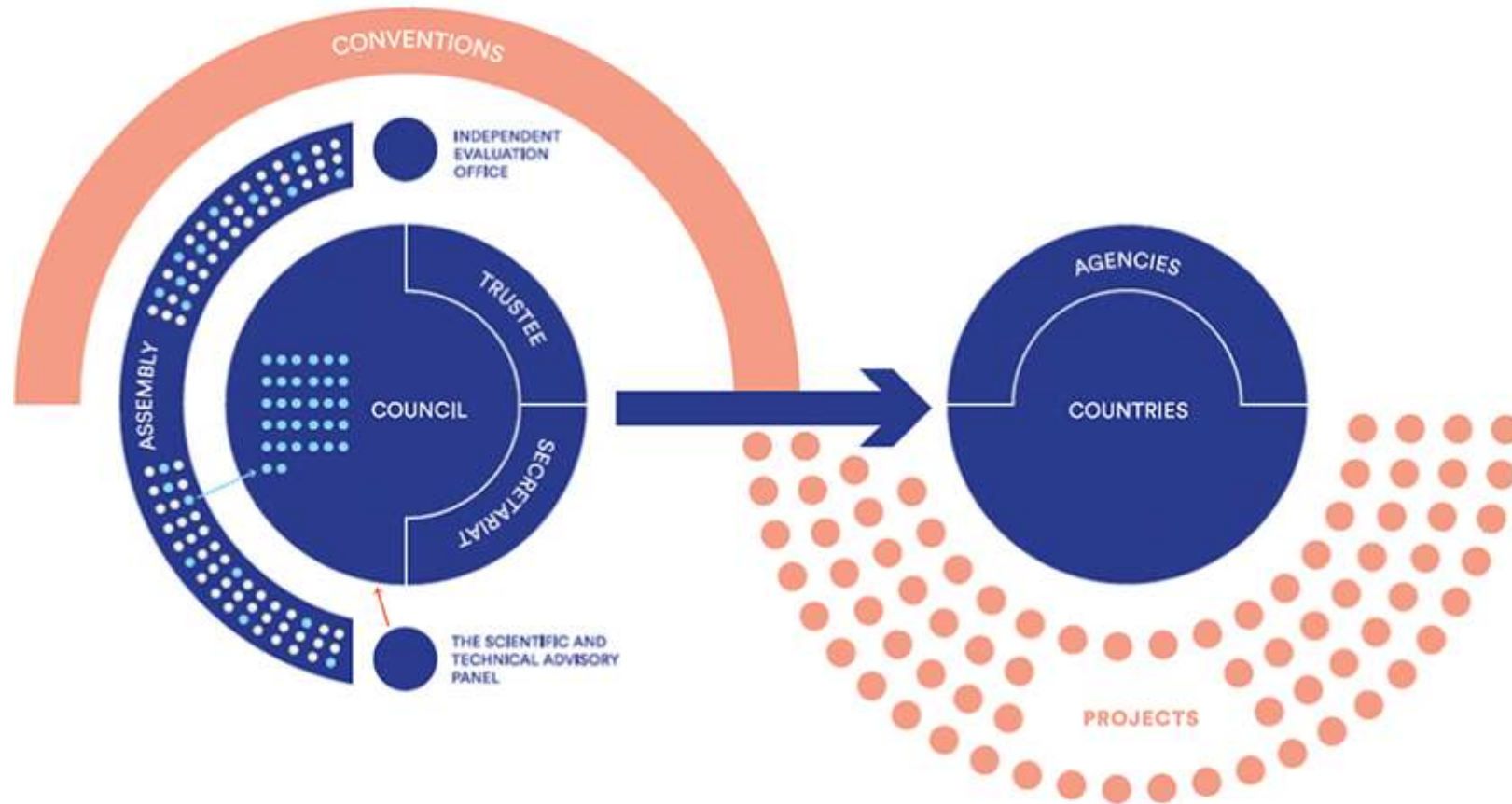
Session 2



The GEF serves as a "financial mechanism" to five conventions: (1) Convention on Biological Diversity (CBD), (2) United Nations Framework Convention on Climate Change (UNFCCC), (3) Minamata Convention on Mercury, (4) Stockholm Convention on Persistent Organic Pollutants (POPs) and (5) UN Convention to Combat Desertification (UNCCD).

Organization

Session 2



GEF Agencies

Session 2



Asian Development Bank (ADB)



United Nations Development Programme (UNDP)



Development Bank of Southern Africa (DBSA)



African Development Bank (AfDB)



United Nations Environment Programme (UNEP)



Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO)



European Bank for Reconstruction and Development (EBRD)



United Nations Industrial Development Organization (UNIDO)



Brazilian Biodiversity Fund (FUNBIO)



Food and Agriculture Organization of the United Nations (FAO)



The World Bank



International Union for Conservation of Nature (IUCN)



Inter-American Development Bank (IDB)



Conservation International (CI)



West African Development Bank (BOAD)



International Fund for Agricultural Development (IFAD)



Development Bank of Latin America (CAF)



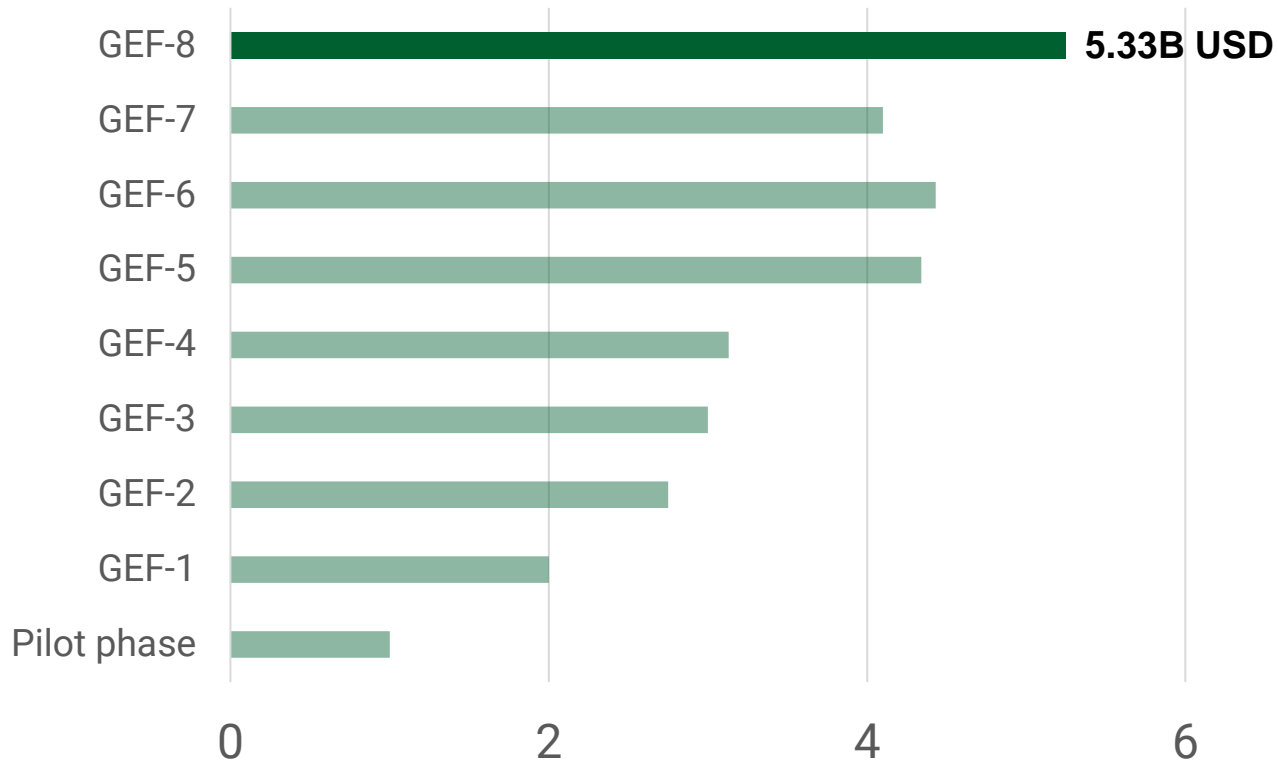
World Wildlife Fund (WWF-US)



Funding

GEF Replenishment cycles

(in billion of USD)



- The financial contributions are replenished **every four years** by contributing participants (including developed and developing countries).
- GEF funds are available to developing countries and countries with economies in transition to meet the objectives of the international environmental conventions and agreements.

The GEF-8 Climate Change Focal Area Strategy

Session 2

Objective:

Support developing countries to make transformational shifts towards net-zero GHG emissions and climate-resilient development pathways.

Pillars:

1. Promote innovation, technology development and transfer, and enabling policies for mitigation options with systemic impacts
2. Foster enabling conditions to mainstream mitigation concerns into sustainable development strategies



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The Capacity Building Initiative for Transparency (CBIT)

Session 2

CBIT was created by the GEF at the request of Parties to help strengthen the institutional and technical capacities of developing countries to meet the enhanced transparency requirements defined in Article 13 of the Paris Agreement.

CBIT areas of work:

1. Strengthen national institutions for transparency-related activities in line with national priorities
2. Provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13 of the Agreement
3. Assist in the improvement of transparency over time.



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GEF-8 Integrated Programs

Session 2

Food Systems

Ecosystem Restoration

Sustainable Cities

Amazon, Congo, and Critical Forest Biomes

Circular Solutions to Plastic Pollution

Blue and Green Islands

Clean and Healthy Ocean

Net-Zero Nature Positive Accelerator

Wildlife Conservation for Development

Greening Transportation Infrastructure Development

Elimination of Hazardous Chemicals from Supply Chains



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Net-Zero Nature-Positive Accelerator Integrated Program

Session 2

Objective:

Accelerate the adoption and implementation of strategies toward net-zero emissions, which are also nature-positive, and in line with the ambition of national climate plans with the 1.5°C scenarios.

Key features:

1. Strengthen capacities and generate information on deep decarbonization plans' socio-economic costs and benefits.
2. Support the adoption and implementation of net-zero emission strategies and policies, coordinated with national biodiversity conservation and land degradation strategies and objectives.
3. Develop and promote investments in project portfolios that generate multiple global environmental benefits.



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Least Developed Countries Fund (LDCF) Special Climate Change Fund (SCCF)

Programming Strategy and
Operational Improvements (2022-2026)

Session 2



Samoa LDCF

LDCF/SCCF: Priority themes for 2022-2026

Session 2



Agriculture, food security and health

Heightened focus on community wellbeing



Water

Continued support to capture, store, conserve and enable easier and more reliable access to water



Early warning and climate information systems

Expand access and strive for greater user uptake



Nature-based solutions

High potential to deliver adaptation



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LDCF priority areas for 2022-2026

PRIORITY AREA 1

Scaling up finance

- *Policy coherence*
- *Institutional capacity*
- *Innovative financing mechanisms*
- *Tools and metrics*

PRIORITY AREA 2

Strengthening innovation and private sector engagement

- *Technology transfer and innovation*
- *MSME incubation and acceleration*
- *Inclusive microfinance*
- *Risk sharing to catalyze private investment*
- *Enabling private sector action*

PRIORITY AREA 3

Fostering partnership for inclusion & whole-of-society approach

- *Institutional strengthening and capacity building at all levels*
- *Partnerships with local organizations and systems to address social equity*
- *Innovative financing opportunities to support whole-of society approach*
- *Thought leadership through global partnerships and fostering enabling environment*



SCCF priority areas for 2022-2026

PRIORITY AREA 1

Supporting the adaptation needs of SIDS

- *Projects in the priority themes*
- *Joint programming with GCF*
- *Complementarity to GEF Trust Fund Impact Programs (Blue and Green Islands and Clean and Health Oceans Integrated Programs)*
- *Regional/global learning and cooperation, strengthening regional organizations*



PRIORITY AREA 2

Strengthening innovation, technology transfer and private sector engagement

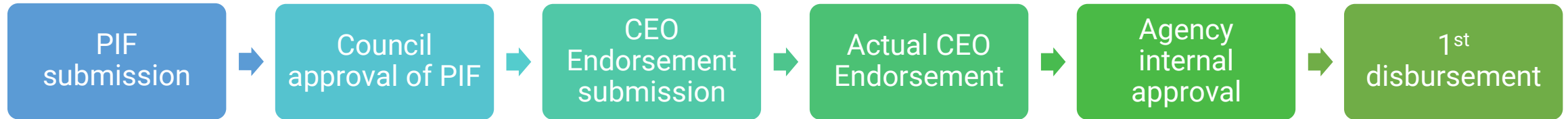
- *Technology transfer, deployment and innovation*
- *Climate resilient financial product innovation*
- *Finance and insurance sector innovation*
- *Blending concessional with commercial finance to catalyze private investment*
- *Regional and global projects for learning and collaborative action*



GEF Project development cycle

Session 3

Full-sized Project GEF project financing > US\$ 2 million



Medium-sized Project (2-step) GEF project financing ≤ US\$ 2 million

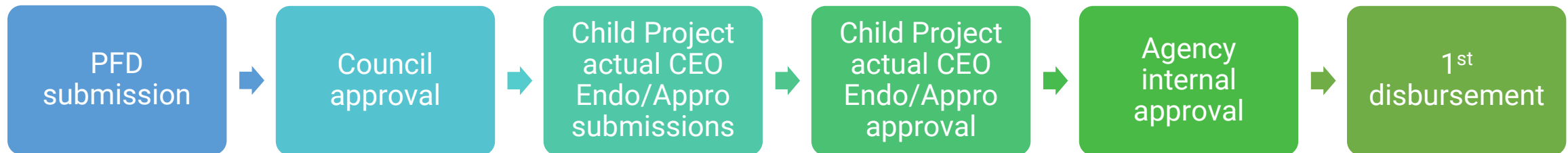


GEF Project development cycle

Enabling Activity GEF financing for preparing a plan, strategy or report to fulfill commitments under a Convention



Program A longer term and strategic arrangement of individual but interlinked projects that aim at achieving large-scale impacts on the global environment



Non-Grant Instruments (NGI) Program

Session 5

- The use of non-grant instruments such as debt, equity or guarantees at concessional terms offers unique advantages for private sector participation since it enables the GEF to support innovation through patient capital, de-risk financial structures, lengthen maturities of financing, etc.
- The GEF-7 launched a \$136 million Non-Grant Instrument (NGI) Program to demonstrate the application of innovative finance models to combat global environmental degradation.
- The NGI Program (during GEF-6 and GEF-7) was able to double the average co-financing ratio and participation of private sector co-financing was more than three times higher than in general GEF grant programs/projects.



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GEF-8 The Blended Finance Global Program

Session 5

During GEF-8:

- The GEF will seek to **support innovation at the forefront of investments in nature and climate.**
- In cases where **private sector risk aversion** may still prevent the mobilization of private capital at scale in climate change projects, the GEF will provide financing for efforts in climate change mitigation.
- The GEF will also seek to support **de-risking mechanisms** for scale-up and mobilizing investment through capital markets
- The GEF will explore the use of **thematic calls for proposals** to attract more interest in priority areas of investment and look for opportunities in GEF multi-trust fund projects that will deliver expanded private sector engagement for the adaptation and resilience agenda.



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Example: COVID-19 Off-Grid Recovery Platform (CRP)

Session 5

GEF contribution: \$13 million

Co-finance: \$87.7 million

Agency: African Development Bank (AfDB)

Duration: 6 years

Objective: Unlock and catalyze private capital to mitigate the negative impacts of the COVID-19 pandemic on the energy access industry in Africa

Finance approach: AfDB will deploy \$19.5M in concessional funds through CRP. The GEF contributes with a \$13M concessional loan from GEF-7 NGI.

CRP will avail concessional capital to qualified financial intermediaries (Partner Funds) for blending with their own commercial capital (min. 1:1 ratio) to provide blended loans to energy access companies negatively impacted by the pandemic at sub-commercial rates.



Participating countries:

Burkina Faso, Cameroon, Ethiopia, Ghana, Kenya, Malawi, Mali, Mauritius, Niger, Nigeria, Senegal, Sierra Leone, South Africa, Tanzania, Uganda, and Zambia

The Operational Guidelines for the Application of the Incremental Cost Principle (GEF/C.31/12, 2007) provide a 5 step approach:

5 STEPS

- 1 Presentation of “Business-as-Usual” (or: What would happen without the GEF?)
- 2 Global Environmental Benefits (GEB) and Strategic Fit
- 3 Incremental Reasoning and GEFs’ Role
- 4 Results Frameworks for Projects
- 5 Defining the role of cofinancing

Innovation, sustainability and potential for scaleup

Session 6

Innovation

Is the project innovative in its design, method of financing, technology, business model, policy, monitoring and evaluation, or capacity building?

Sustainability

Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?

Scaleup

Is there a clearly-articulated vision of how the innovation will be scaled-up over time, across geographies or among institutional actors?



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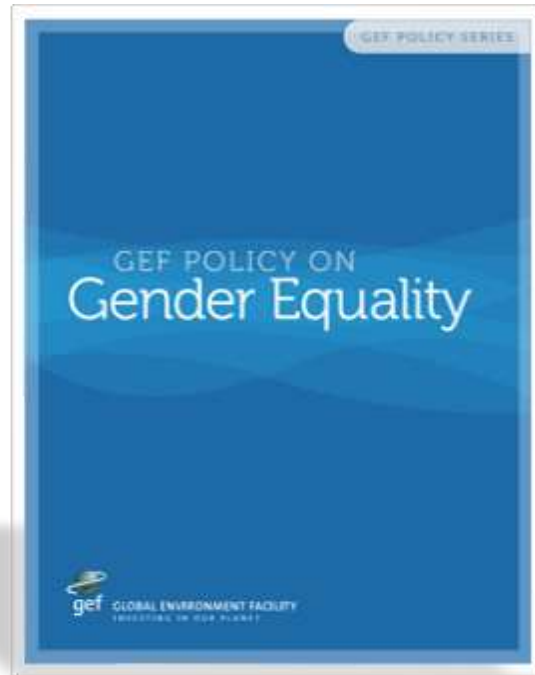
SOCIAL AND GENDER CONSIDERATIONS, ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND RISK MANAGEMENT

Gender Equality

**Environmental and Social
Safeguards**

Stakeholder Engagement

Gender Equality



Responds to increased attention to gender equality and women's empowerment by the multilateral environmental agreements (MEAs) that the GEF serves

Recognizes that efforts to combat environmental degradation and those to address gender inequality can be mutually supportive

Aims to catalyze projects that have the potential to materialize greater environmental impact through gender-responsive approaches and results

Seeks to ensure that GEF projects are gender informed and provide equal opportunities for women and men to participate in, contribute to and benefit from GEF-Financed Activities

Outlines GEF project and program cycle requirements

Gender Equality

Portal questions

Briefly include below any gender dimensions relevant to the project, as well as any plans to address gender in project design (e.g., gender analysis).

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment? (yes /no / tbd)

Indicate in which results area(s) the project is expected to contribute to gender equality:

- access to and control over resources;
- participation and decision making; and or
- economic benefits or services.

Does the project's results framework or logical framework include gender-sensitive indicators? (yes /no / tbd)

GEF-7 PIF section on gender

The portal includes a set of questions to help ensure compliance and promote early action on gender

GEF's gender tags

Introduced to help GEF track gender results and improve our ability to learn, capture and report on gender approaches and results

GEF-7 Core Indicator on beneficiaries

Introduced to help GEF monitor direct beneficiaries of GEF project and programs disaggregated by sex.

Review Sheet

Is the articulation of the gender context and indicative information on the importance and need to promote gender equality and the empowerment of women adequate?

GEF's Policy on
Environmental
and
Social
Safeguards
(effective July 2019)

- ▶▶ **Aims** to prevent, mitigate and manage adverse impacts that GEF projects may have on people or the environment
- ▶▶ **Sets out** requirements for GEF Agencies to assess and manage environmental and social risks throughout the GEF project cycle
- ▶▶ **Outlines** GEF Agencies' responsibilities to document and report on environmental and social risks and impacts, and management measures
- ▶▶ **Describes** GEF Secretariat's responsibility to review projects and report to the GEF Council on the type and level of ESS Risks, and associated management measures

Environmental and Social Safeguards

Documentation Requirements

Initial overall risk classification of the project or program (High/Substantial, Moderate/Medium, Low)

Initial identification of the relevant types of risks and potential impacts of project or program (among 11 types) and Preliminary measures to address identified risks and potential impacts, if available

Documentation e.g. screening report and/or preliminary Environmental and Social Risk and Impact Assessment report, if available

Stakeholder Engagement

Policy overview

Objective:

Promote the inclusive and meaningful participation of Stakeholders in GEF's governance and operations in support of the GEF's mandate to protect the global environment.

Principles:

- Constructive, responsive, accountable and transparent;
- Fair, balanced, and inclusive participation;
- Sustained commitment and action, including allocation of resources;
- Supported by appropriate documentation and easy and timely access to information

Stakeholder Engagement

Requirements

- » **Description of any consultations conducted during project development**
- » **Description of how stakeholders will be engaged in the project and description of means of engagement throughout the project cycle**



Reference materials

- [Policy on Environmental and Social Safeguards](#)
- [Policy on Gender Equality](#)
- [Policy on Stakeholder Engagement](#)
- [Progress Report on the Implementation of the GEF Policy on Environmental and Social Safeguards](#)
- [Progress Report on the GEF Gender Implementation Strategy](#)



Stakeholder Engagement

Tips

- » Confirm that the PIF/PFD includes indicative information on Stakeholders engagement to date (box ticked)
- » Ensure that there is a description of any consultations that took place in the design of the project. If not, a justification is needed
- » Check that key stakeholders and their interests have been identified – i.e. through a stakeholder analysis or comprehensive list of stakeholders.
- » Ensure that the PIF/PFD include information about the future roles of stakeholders and proposed means of future engagement.

GEF Monitoring Policy (since June 2019)

Session 7

Concept approval

Results framework

- Expected results including core results indicators and sub-indicators

CEO endorsement

Monitoring and evaluation plan

- Results framework: baseline and target indicators
- Expected results from relevant core results indicators and sub-indicators
- Monitoring and evaluation plan

Reporting on implementation progress

Annual project implementation report

- Project status
- Disbursement of the GEF grant
- Implementation progress and risk level

Mid-term review

- Results for all core indicators and sub-indicators

Terminal evaluation

- Results for all core indicators and sub-indicators

Monitoring report

- Published twice a year

