



GLOBAL ENVIRONMENT FACILITY

# GEF-7 Programming Directions Overview

## Increase the impact

Introduction Workshop - GEF  
*Washington, DC, January 2020*





# Part 1. Introduction to GEF

# The Global Environment Facility (GEF) is...

## 1) Financial Mechanism of the Environmental Multilateral Agreements



## 2) Global Partnership

**183 countries**

**GEF Focal Point**



### 18 Implementing Agencies



## 3) Massive Track record of projects

- GEF created in **1991**
- **Over \$17.9 billion in grants + \$93.2 billion in co-financing**
- More than **4500 projects in 170 countries.**

**+ Private sector, Academic institutions...**



## GEF-7 at a glance

- GEF-7 commenced on **July 1, 2018**
- **\$4.1 billion** total replenishment for the next 4-year period (2018–2022)
- Reiterating **GEF's unique position and mandate** with multilateral environmental agreements
- Promoting the next step from **integration** towards **transformation** based on lessons learned
- Context: a fast **changing global situation** - scale and urgency of environmental threats as well as opportunities
- Emphasis on **country-driven** process





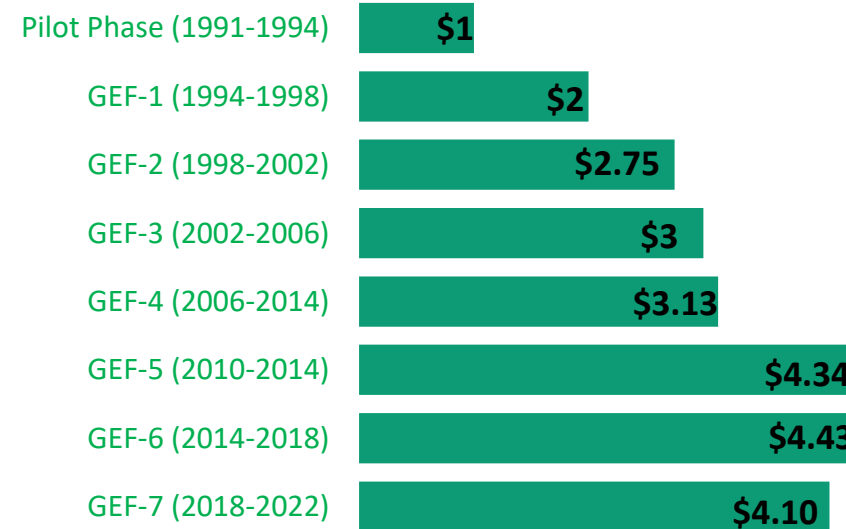
# Mobilization Through Replenishments



## GEF Trust Fund: US\$100 Billion Mobilized for the Planet

Replenished by Donor Contributions every four years.


To date, the GEF has raised more than US\$20 billion in donor funds while leveraging about US\$88 billion in additional resources for over 4,000 projects in 170 countries.



■ Replenishment cycles (in billion dollars)

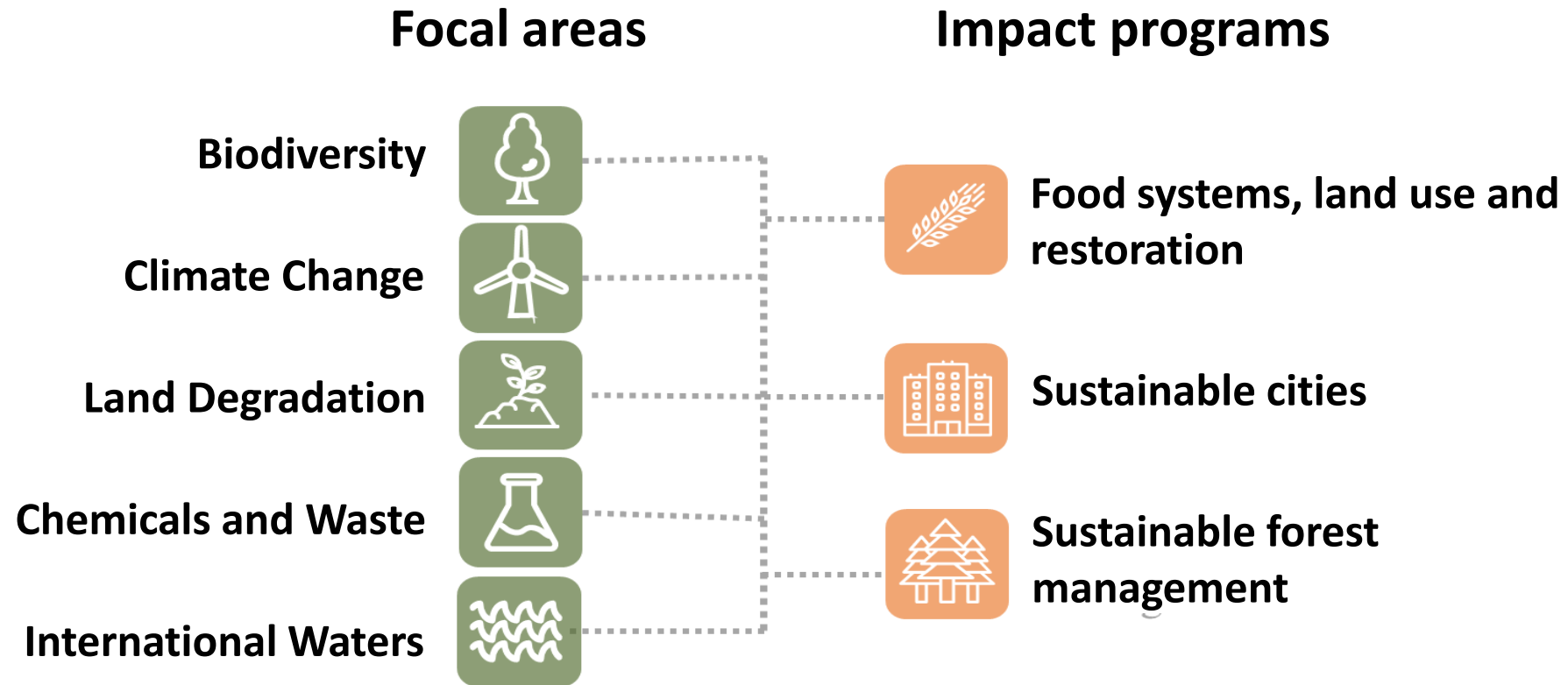


# The GEF-7 Programming Directions

FOCAL AREAS						
		Biodiversity	Climate Change Mitigation	Land Degradation	International Waters	Chemicals & Waste
IMPACT PROGRAMS	Food, Land Use and Restoration (FOLUR)					
	Sustainable Cities					
	Sustainable Forest Management					



# The GEF-7 Programming Directions

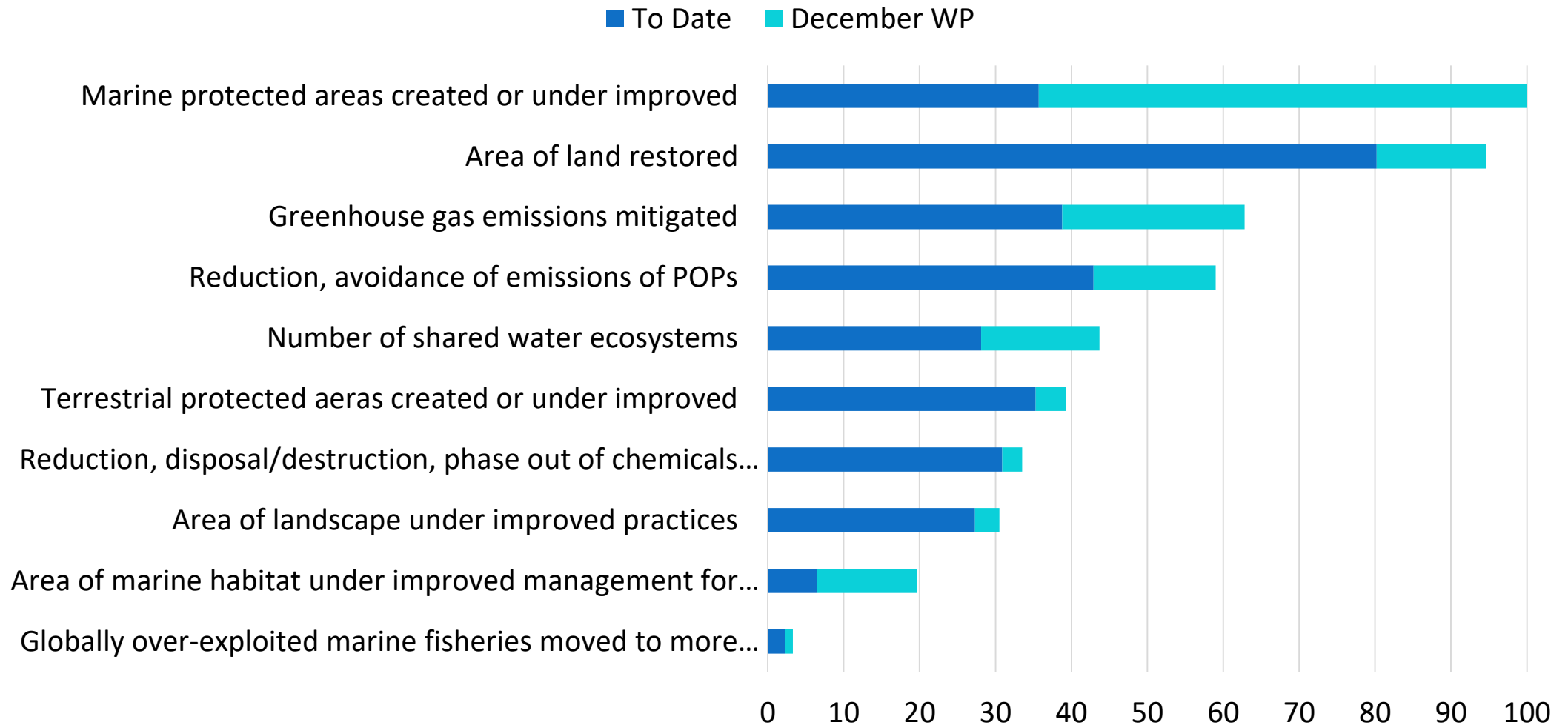





# The GEF-7 Programming Directions

Core Indicators	GEF-7 Targets
Terrestrial protected areas created or under improved management for conservation and sustainable use (million hectares)	200
Marine protected areas created or under improved management for conservation and sustainable use (million hectares)	8
Area of land restored (million hectares)	6
Area of landscapes under improved practices (million hectares; excluding protected areas)	320
Area of marine habitat under improved practices to benefit biodiversity (million hectares; excluding PAs)	28
Greenhouse Gas Emissions Mitigated (million metric tons of CO <sub>2</sub> e)	1500
Number of shared water ecosystems (fresh or marine) under new or improved cooperative management	32
Globally over-exploited marine fisheries moved to more sustainable levels (thousand metric tons)	3500
Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products (thousand metric tons of toxic chemicals reduced)	100
Reduction, avoidance of emissions of POPs to air from point and non-point sources (grams of toxic equivalent gTEQ)	1300
Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	

# Total Expected Results To Date and in December Work Program against GEF-7 targets

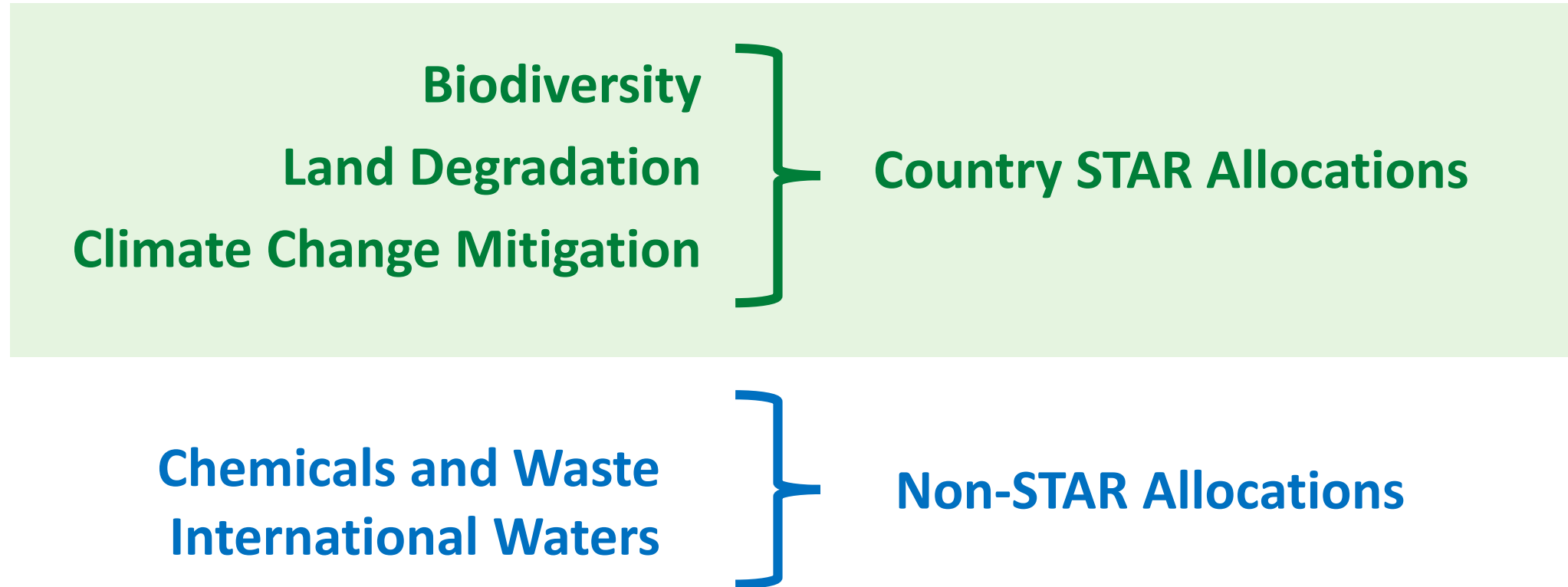






## Part 2. Focal Areas

## Focal Areas





# Focal Areas

## 1) Biodiversity Focal Area (GEF-7 \$1,292 million)

- **Goal:** Maintain globally significant biodiversity in landscapes and seascapes
- **Objectives:**
  - **Mainstream biodiversity** across sectors as well as landscapes and seascapes;
  - Address direct drivers to **protect habitats and species**; and
  - Further develop biodiversity **policy and institutional frameworks**.



# Focal Areas

## 1) Biodiversity Focal Area

### I. Mainstream biodiversity across sectors and within production landscapes and seascapes

- Biodiversity Mainstreaming in Priority Sectors
- Global Wildlife Program: Preventing the Extinction of Known Threatened Species and Wildlife for Sustainable Development
- Natural Capital Assessment and Accounting
- Sustainable Use of Plant and Animal Genetic Resources
- Inclusive Conservation

#### IMPACT PROGRAM ENTRY POINTS:

- Food systems, Land Use, and Restoration Impact Program
- Sustainable Cities Impact Program
- Sustainable Forest Management Impact Program (Amazon, Congo Basin, Dryland Sustainable Landscapes)

#### OTHER FOCAL AREAS:

- International Waters/Sustainable Fisheries





# Focal Areas

## 1) Biodiversity Focal Area

### II. Address direct drivers to **protect habitats and species**

- Prevention, Control and Management of Invasive Alien Species; and,
- Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate

#### **IMPACT PROGRAM ENTRY POINTS:**

- Sustainable Forest Management Impact Program (Amazon, Congo Basin, Dryland Sustainable Landscapes)

#### **OTHER FOCAL AREAS:**

- International Waters/Coastal and Marine Protected Areas



# Focal Areas

## 1) Biodiversity Focal Area

### III. Further develop biodiversity **policy and institutional frameworks**

- Implement the Cartagena Protocol on Biosafety
- Implement the Nagoya Protocol on Access and Benefit Sharing
- Support the Convention on Biological Diversity by improving biodiversity policy, planning and review (Enabling Activities: reporting, NBSAP development and revision)





# Focal Areas

## 2) Climate Change Focal Area (GEF-7 \$802 million)

### ■ The Global Context



2016

Paris Agreement entered into force



2018

At COP24 in December, Parties agreed on a set of rules to operationalize the Paris Agreement and periodically revise their NDCs (the “Paris Rulebook”)



2020

Parties to the agreement should submit updated NDCs, enhancing ambition



2023

First assessment of where we stand with respect to the Paris Agreement goals (Global Stocktaking)



# Focal Areas

## 2) Climate Change Focal Area

### ■ GEF-7 Climate Change Focal Area Strategy

The GEF-7 Climate Change Focal Area Strategy aims to support developing countries to make transformational shifts towards low emission and climate-resilient development pathways.

- To achieve such outcomes, the CCM Strategy hinges on three objectives:
  - Promote innovation and technology transfer for sustainable energy breakthroughs
  - Demonstrate mitigation options with systemic impacts (through the impact programs)
  - Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies





# Focal Areas

## 2) Climate Change Focal Area

### ■ Objective 1: Promote innovation, technology transfer for sustainable energy breakthroughs

#### 1) Decentralized renewable power with energy storage

- Energy storage
- Renewable energy-based decentralized systems (mini-grids)
- New business models

#### 2) Electric drive technologies and electric mobility

- Electric mobility
- Regulatory frameworks that support electric mobility
- Integration of electric vehicles into the grid
- Planning for market changes

#### 3) Accelerating energy efficiency adoption

- Buildings and energy efficiency retrofits in multi-family dwellings
- District heating and cooling
- Energy management for industry, equipment and appliances

#### 4) Cleantech innovation

- Foster technology deployment, dissemination and transfer through entrepreneurship
- Develop SME and private sector partnerships
- Fostering local innovations and training entrepreneurs



# Focal Areas

## 2) Climate Change Focal Area

### ■ Objective 2: Demonstrate mitigation options with systemic impacts

#### 1) Sustainable Cities Impact Program

*Targeting urban interventions with significant CCM potential to help cities shift towards low-emission urban development*

- Low-carbon planning
- Renewable energy and energy efficiency
- Solid waste and wastewater management

#### 2) Food System, Land Use, and Restoration (FOLUR) Impact Program

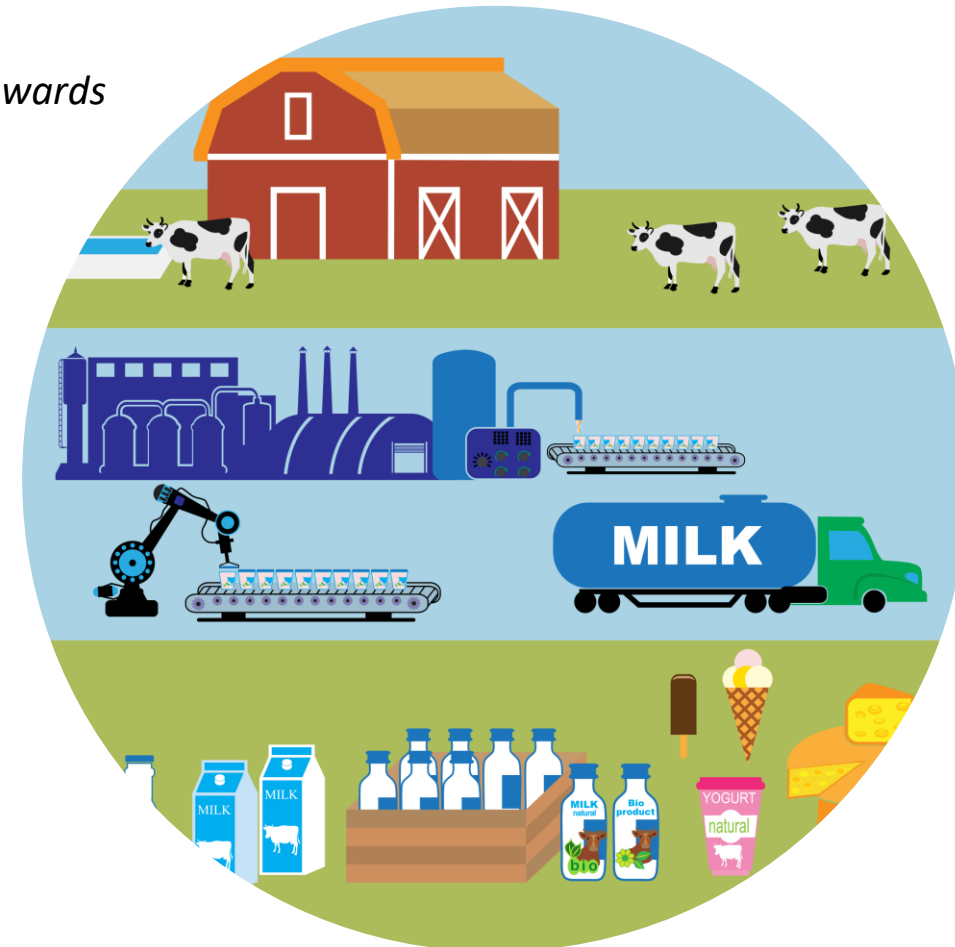
*Increase productivity and support livelihoods while reducing GHG emissions and increasing soil quality*

- Climate smart agriculture
- Sustainable land management
- Sustainable supply chain for key agricultural commodities

#### 3) Sustainable Forest Management Impact Program

*Maintaining and restoring globally important carbon stocks*

- Amazon
- Congo Basin
- Sustainable Drylands





# Focal Areas

## 2) Climate Change Focal Area



- **Objective 3: Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies**
  - 1) Capacity-building Initiative for Transparency (CBIT)**
    - To strengthen national institutions for transparency-related activities
  - 2) Support in the preparation of NDCs**
    - Countries can use their STAR allocation
  - 3) National Communications (NCs) and Biennial Update Reports (BURs)**
    - Up to \$500,000 and \$352,000 respectively (from GEF Global Set-aside for Enabling Activities)

# Focal Areas

## 3) Land Degradation Focal Area (GEF-7 \$475 million)

### ■ Goals

- Alignment with UNCCD LDN Agenda
- Integration with Impact Programs
- Harness private capital and to finance investments in SLM





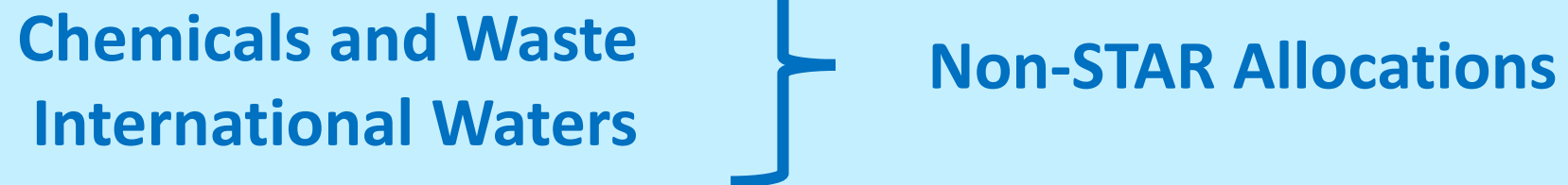
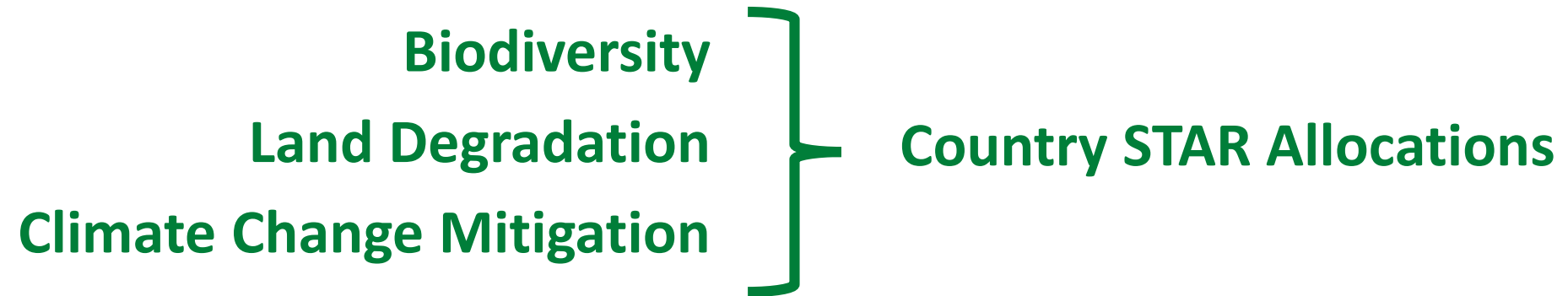
# Focal Areas

## 3) Land Degradation Focal Area

### ■ GEF-7 Land Degradation Focal Area programming

- 1) Total allocation of \$475 million (10% increase compared to GEF-6)
- 2) Programmed through Impact Programs and regular STAR projects
- 3) Five programming (sub)objectives:
  - LD-1-1: Agriculture and Rangeland Systems (SLM)
  - LD-1-2: Sustainable Forest Management (SFM)
  - LD-1-3: Forest Landscape Restoration (FLR)
  - LD-1-4: Integrated landscapes & resilience (INRM)
  - LD-2: Enabling environments for LDN and SLM
- 4) LD set-asides (outside STAR): Supporting regional themes/programs and UNCCD Enabling Activities

## Focal Areas





# Focal Areas

## 4) Chemicals and Wastes Focal Area (GEF-7 \$599 million)

### ■ International Conventions

- Stockholm Convention on Persistent Organic Pollutants (**POPs**)
- Minamata Convention on **Mercury**
- Montreal Protocol on Substances that Deplete the **Ozone** Layer
- Strategic Approach to **International Chemicals** Management



**100,000 metric tons** - reduction disposal/destruction, phase out, elimination and avoidance of chemicals of global concern

**1,300 gTEQ** - reduction, avoidance of emissions of POPs to air from point and non-point sources.

# Focal Areas

## 4) Chemicals and Wastes Focal Area

- **GEF-7 Chemicals and Wastes Programming**
- **Industrial Chemicals Program**, will eliminate POPs, Mercury and ODS by focusing on major industrial sectors that use or produce chemicals covered by the MEAs such as ASGM, textiles, plastics, electronics, consumer products etc.
- **Agricultural Chemicals Program**, will eliminate POPs , HHPs and mercury based agricultural chemicals and introduce low or non-chemical alternatives and practices. It will also focus on the management and safe disposal of agricultural plastics contaminated by POPs and mercury.
- **LDC/SIDS program** will foster regional approaches, incubate technologies that are developed in these countries and seek to create economies of scale for achieving the sound management of chemicals and waste.
- **Enabling Activities** related to the different conventions, include:
  - NIPs and NIP Updates
  - MIAs and ASGM NAPs





# Focal Areas

## 4) Chemicals and Wastes Focal Area



### ■ Programming Principles

- Cost Effectiveness
- Sustainability
- Innovation
- Private Sector Engagement
- Builds on, or uses existing networks, regional, national and sub-national institutions
- Supports the objectives of the Impact Programs and of other Focal Area strategies
- Prioritized under National Implementation Plans/Minamata Initial Assessments/ASGM National Action Plans



# Focal Areas

## 5) International Waters Focal Area (GEF-7 \$463 million)

### *Transboundary (multi-national) water governance and management*

#### ■ Goals:

- Strengthen **Blue Economy** opportunities
- Improve governance in the **Areas Beyond National Jurisdiction (ABNJ)**
- Enhance water security in **freshwater ecosystems**





# Focal Areas

## 5) International Waters Focal Area

### I. Coastal Ecosystems

*Strengthening blue economy opportunities by addressing major threats facing coastal ecosystems:*

- **Habitat** degradation
- Sustainable **fisheries**
- **Pollution** from land-based sources





# Focal Areas

## 5) International Waters Focal Area

### II. Areas Beyond National Jurisdiction (ABNJ)

#### *Improving governance in the high seas*

- Illegal, under-reported and unregulated (IUU) fisheries
- Strengthening capacity of Regional Fisheries Management Organizations (RFMOs)
- Port State Measures Agreement implementation (PSMA)





# Focal Areas

## 5) International Waters Focal Area

### III. Freshwater Ecosystems

*Enhancing water security of shared rivers, lakes, groundwater and delta systems with emphasis on the water, food, energy and environment nexus*

- > **Cooperation** on shared freshwater resources (surface and groundwater)

- Early exchange of **information** and early warning
- Improved **governance** and cooperation in surface and groundwater basins
- **Water, food, energy and environment security** (addressing quantity & quality).







## Part 3. Impact Programs





## Impact Program Key principles

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- I. **Address drivers and promote systemic change**
- II. **Deliver impact and results across Focal Areas**
- III. **Open access but competitive process**



# Impact Programs

## 1) Food Systems, Land Use and Restoration (FOLUR) : Overview

### Achieving Transformational Shift – “Sustainability”

#### ■ Objectives

- **Efficient and effective** food value chains for multiple benefits
- **Removing deforestation** from supply chains
- **Expand restoration** of degraded lands

#### ■ FOLUR Strategy

*Two key priorities for GEF financing:*

- **Spatially explicit geographies** defined on basis of their global importance for commodities, food production, and restoration of ecosystem services
- **Established supply or value chains**



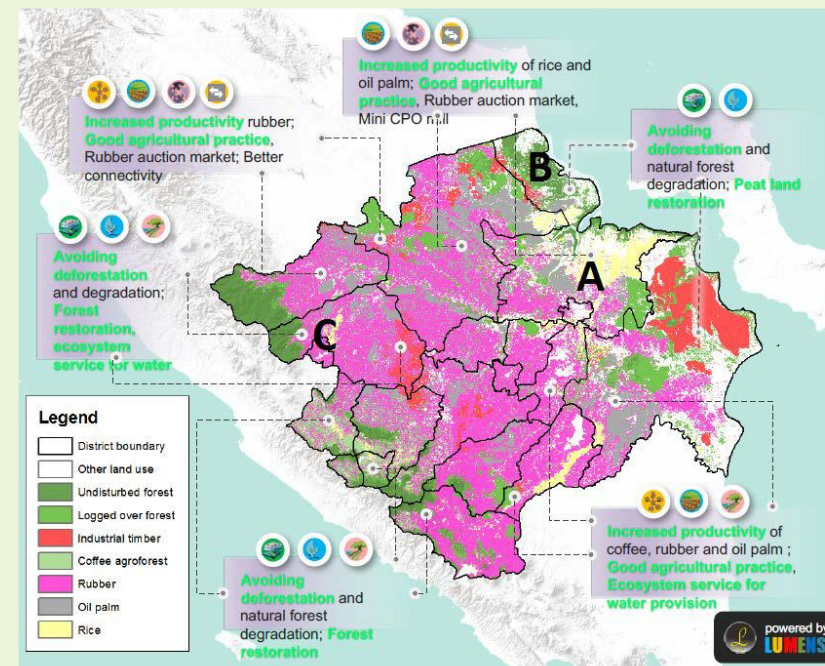


# Impact Programs

## 1) Food Systems, Land Use and Restoration (FOLUR) : Strategy

### 1) Spatially explicit geographies

- Evidence of environmental threats (commodity driven deforestation, unsustainable agricultural systems, etc.)
- Potential to generate GEBs (GHG mitigation, biodiversity conservation, land restoration etc.)
- Evidence of commitment to promote sustainability in the supply or value chain
- Potential for applying a comprehensive land use approach linking production, conservation, and restoration at scale



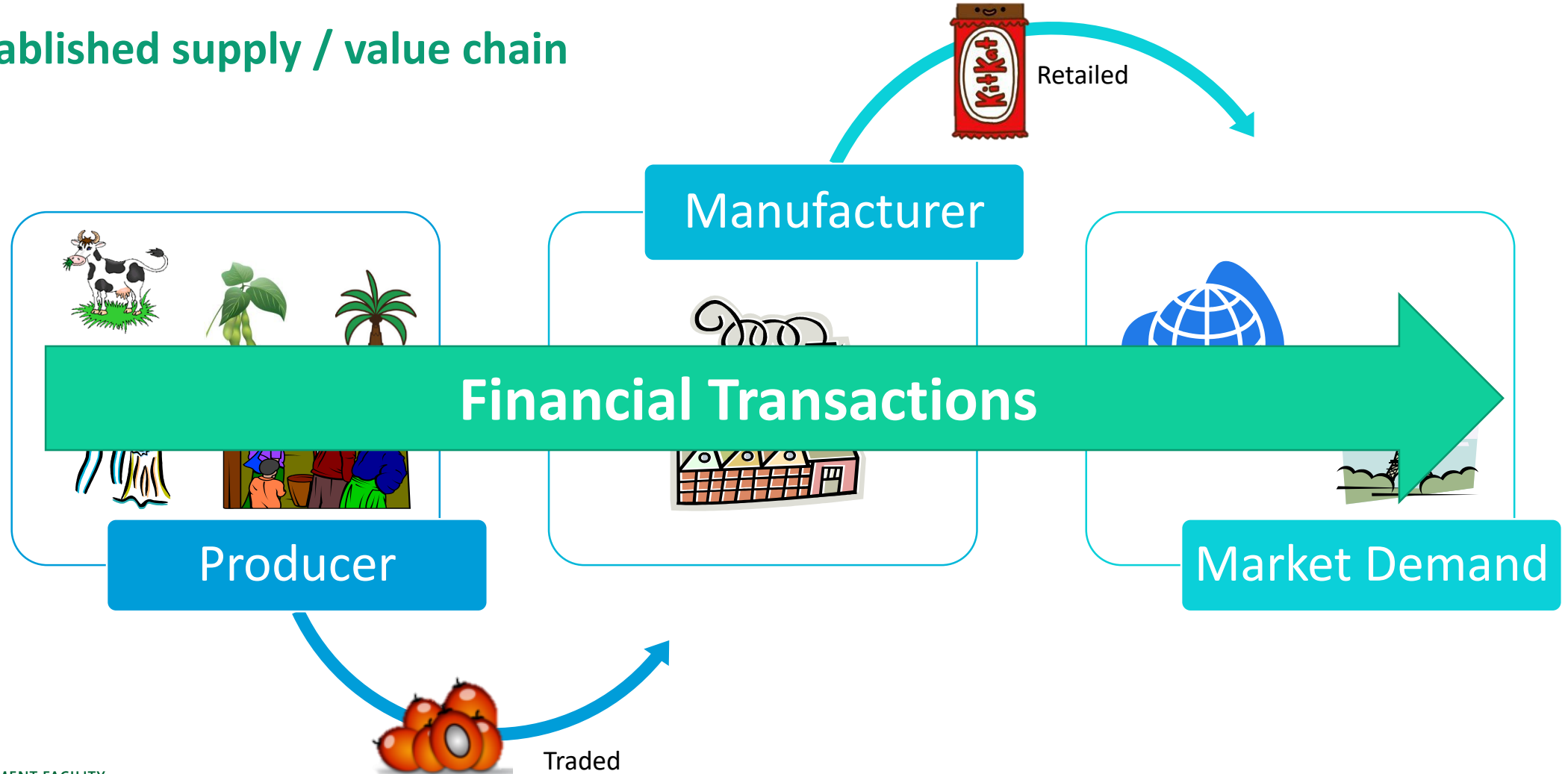
### Focus on **Comprehensive Land Use Planning**

- To balance demands for increased food production with potential for harnessing ecosystem services
- Improve targeting of landscapes for delivering integrated solutions at scale

# Impact Programs

## 1) Food Systems, Land Use and Restoration (FOLUR) : Strategy

## 2) Established supply / value chain





# Impact Programs

## 2) Sustainable Forest Management: Overview

- Focus on globally important forest landscapes

Amazon  
Forest

Congo Basin  
Forest

Dryland  
Forests

Regional, ecosystem-scale approach to  
maintain integrity of the entire biomes

# Impact Programs

## 2) Sustainable Forest Management: Strategy

### ■ SFM GEF-7 Strategy

- Creating a better enabling environment for forest governance;
- Supporting rational land use planning across mixed-use landscapes;
- Strengthening of protected areas;
- Clarifying land tenure and other relevant policies;
- Supporting the management of commercial and subsistence agriculture lands to reduce pressure on adjoining forests; and
- Utilizing financial mechanisms and incentives for sustainable forest utilization such as markets, REDD+ and other PES



# Impact Programs

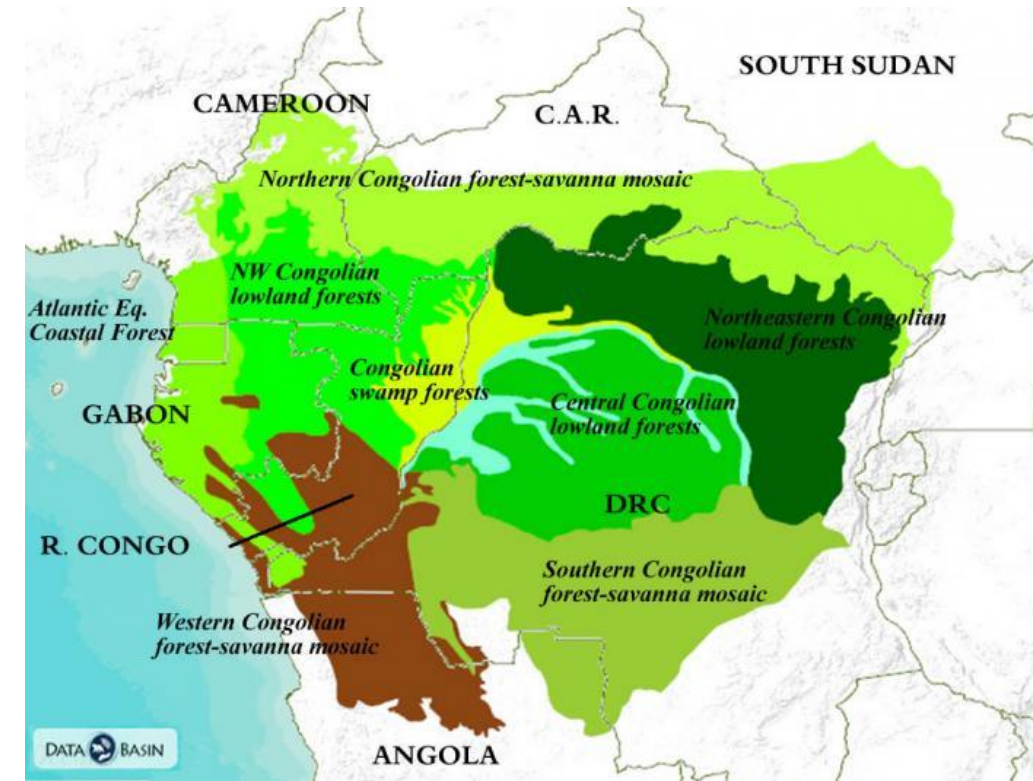
## 2) Sustainable Forest Management: Congo Basin

### ■ Objectives

- Address drivers and promote systemic change
- Deliver impact and results across Focal Areas
- Open access but proactive engagement with key countries

### ■ Key principles

- Program is more than sum of individual parts (e.g. country projects)
- Incentive \$ is not increase country budget, it is to build links to regional collaboration and regional issues
- Need for bottom up building of program needs, but also top down issues that are important for maintaining integrity of the Ecosystem

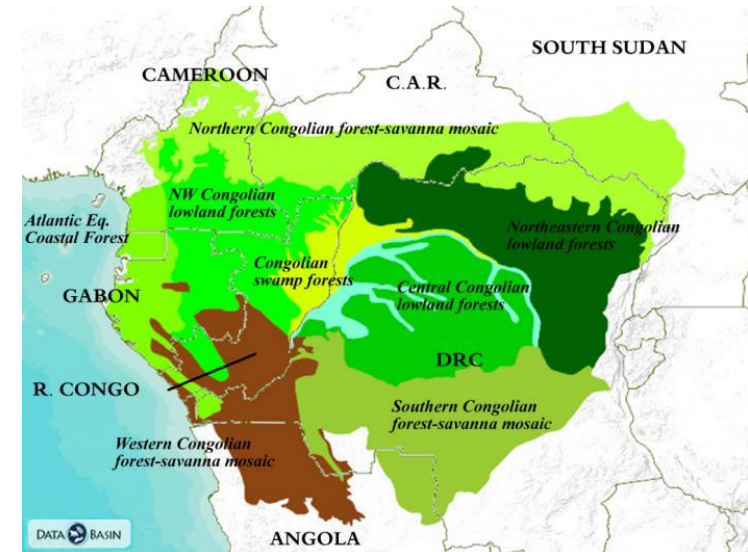
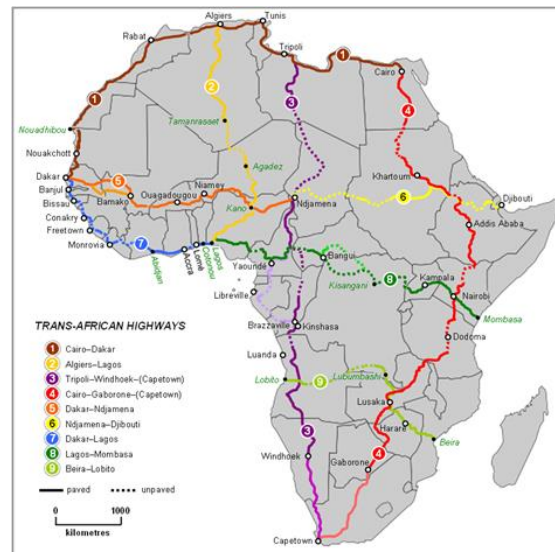
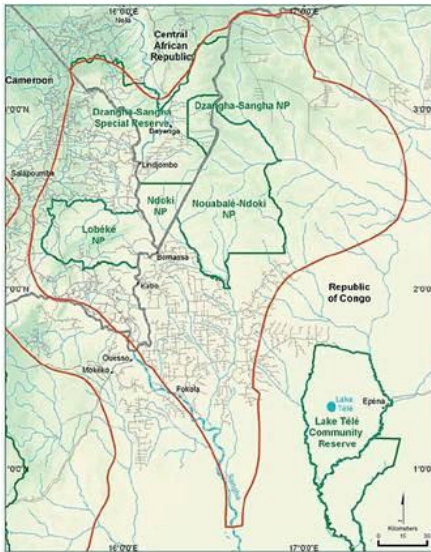


# Impact Programs

## 2) Sustainable Forest Management: Congo Basin

### ■ Analogy with the Amazon Program

- Creation and maintenance of **Transfrontier Conservation Areas**
- **Development corridors and linear Infrastructure plans**
- **Ecological corridors**
- **River: Hydrology, ecological functioning (peatland area), gold mining**





# Impact Programs

## 2) Sustainable Forest Management: Amazon



### ■ The Amazon Biome

- 6.70 million km<sup>2</sup>
- Shared by 8 countries
- World's largest tropical wilderness and most biologically diverse place
- 40% of the planet's remaining rainforest
- World's largest freshwater system (6,600 km)
- Contains 90-140 billion metric tons of carbon
- 610 PAs and 2,344 indigenous territories that cover 45% of the basin



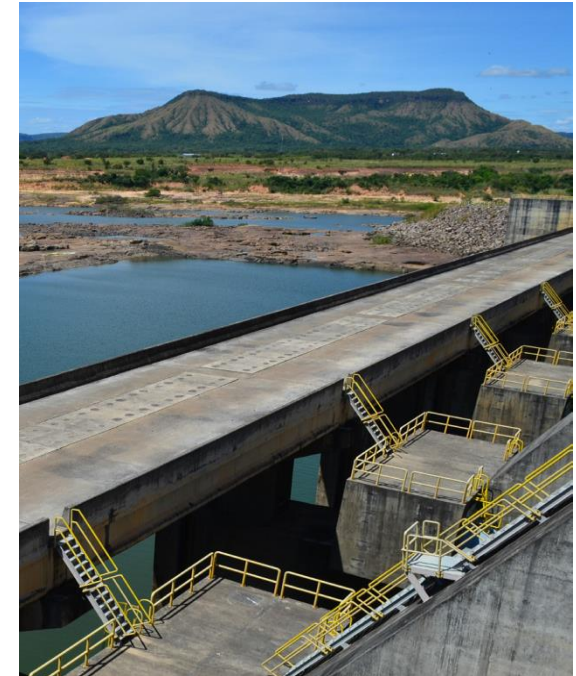
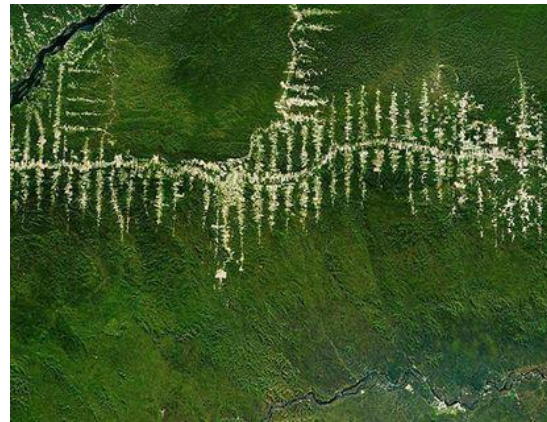


# Impact Programs

## 2) Sustainable Forest Management: Amazon



### ■ Main Threats to the Amazon Biome





# Impact Programs

## 2) Sustainable Forest Management: Amazon



### ■ Amazon Sustainable Landscape Program

- **Objective:** Protect globally significant biodiversity and implement policies to foster sustainable land use and restoration of native vegetation cover in the Amazon

Capacity of and regional cooperation between key players improves the protection of significant biodiversity and the integrity ecosystem services of the Amazon region can be achieved



# Impact Programs

## 2) Sustainable Forest Management: Amazon



### ■ ASL Programmatic approach





# Impact Programs

## 2) Sustainable Forest Management: Amazon



### ■ ASL Coordination Project

To strengthen coordination, access to information and capacity of the national projects stakeholders under the GEF 6 Amazon Sustainable Landscape Program

#### 1. Knowledge Management and Capacity Building

Strengthen access to information and capacity among national projects stakeholders under the GEF ASL Program

*Support to strategic plans and processes*

*Best practices and Lessons Learned*

*Knowledge Exchange and capacity building*

*Knowledge platform*

#### 2. Program Coordination and Communications

Strengthen coordination, monitoring and communication amongst national child projects under the ASL Program

*Program Coordination*

*Program Monitoring*

*Program Communications*

**Amount:** US\$5 million

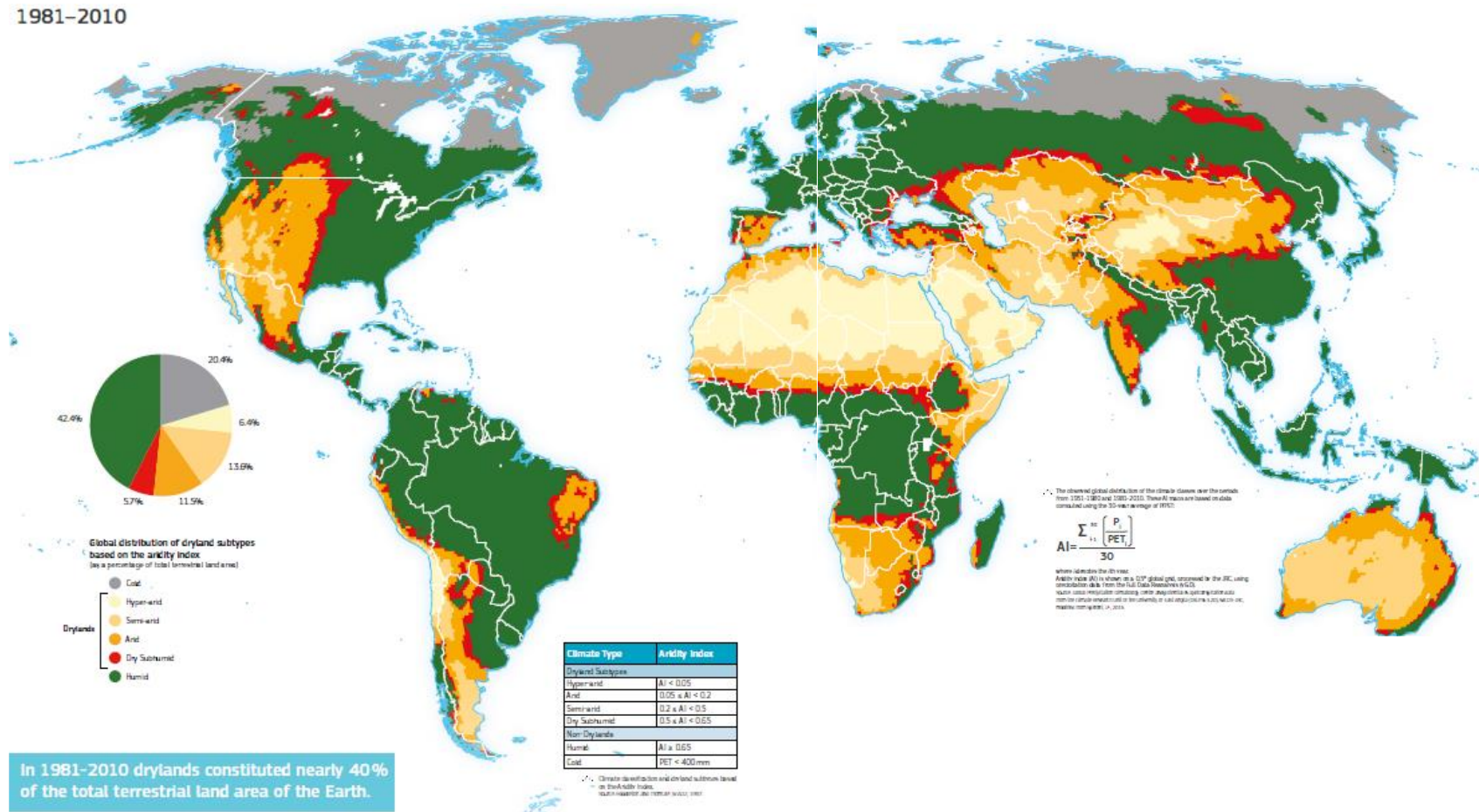
**Execution:** WBG

**Main co-financer:** Moore Foundation

# Impact Programs

## 2) Sustainable Forest Management: Drylands

### ■ The global extent of drylands





# Impact Programs

## 2) Sustainable Forest Management: Drylands

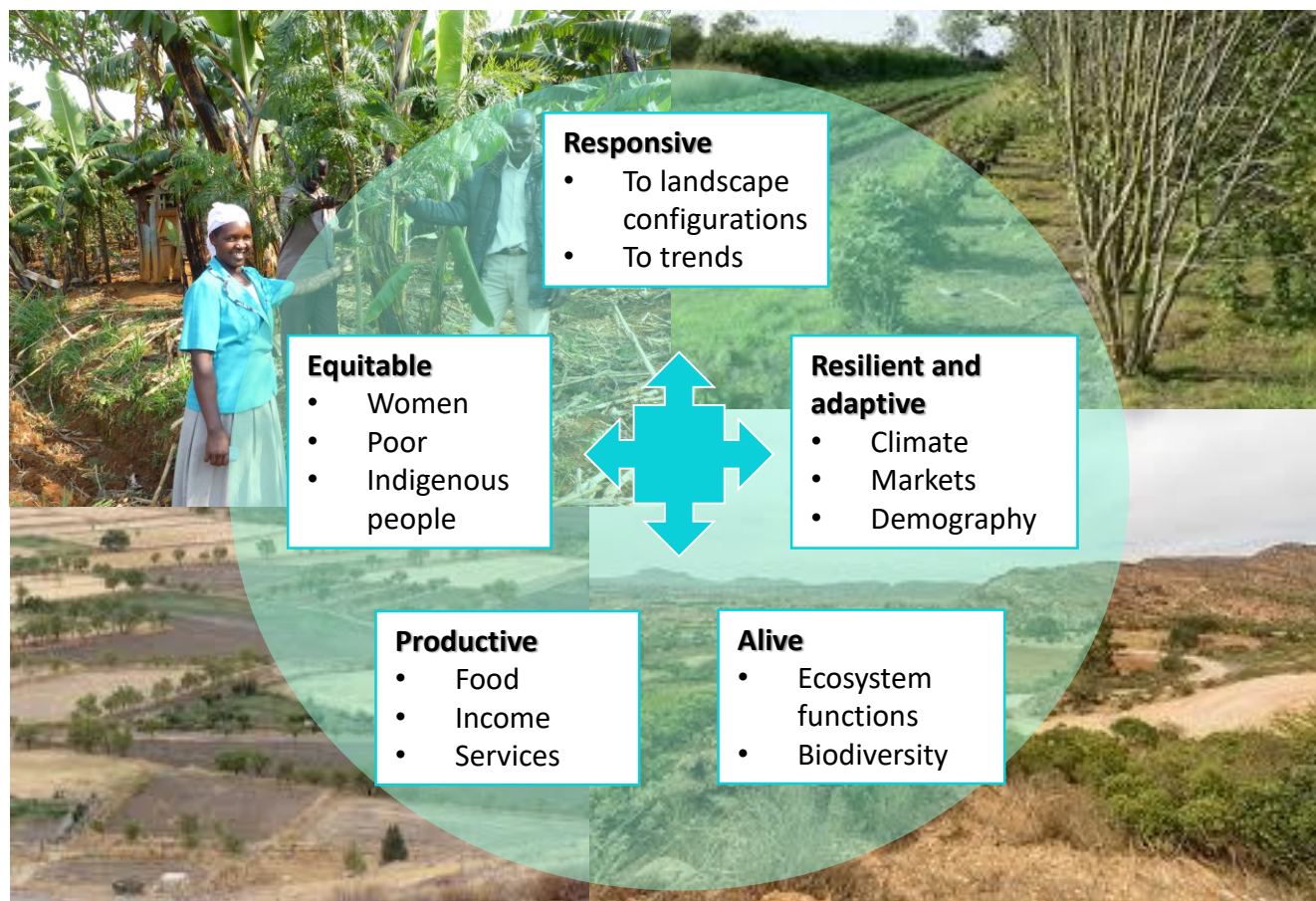
- The DSL IP aims to deliver Land Degradation Neutrality
- Sustainable dryland management is a prerequisite for delivering other GEBs

Focal areas	Land Degradation	Biodiversity	Climate Change	International Waters	Chemicals and Waste
Impact Program objectives	<b>Sustainable management of dryland landscapes:</b> avoid further degradation and desertification of land and ecosystems through the sustainable management of production landscapes in drylands	↓ <ul style="list-style-type: none"> <li>• Protection of HCV dryland forests (including trees outside of forests)</li> <li>• Manage BD in dryland forest and wooded landscapes</li> </ul>	↓ <ul style="list-style-type: none"> <li>• Protection of carbon-rich stocks</li> <li>• Forest-related GHG emissions avoidance</li> </ul>	↓ <ul style="list-style-type: none"> <li>• Shared freshwater ecosystems under new or improved cooperative management</li> </ul>	↓ <ul style="list-style-type: none"> <li>• Eliminate mercury in forests where ASGM that uses mercury occurs</li> </ul>
Focal area programming areas	Creating Enabling Environments for LDN: <ul style="list-style-type: none"> <li>• Embedding the LDN tool into the existing planning frameworks and participatory land-use planning</li> <li>• Policy work on tenure</li> <li>• Good governance on tenure and livelihoods</li> <li>• Technical assistance</li> <li>• Lending and extension</li> <li>• Restoration</li> <li>• Learning and KM</li> <li>• M&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>• BD mainstreaming</li> <li>• Global Wildlife Program</li> <li>• Natural capital</li> <li>• Agrobiodiversity</li> <li>• Inclusive conservation</li> <li>• Invasive species</li> <li>• Protected areas</li> </ul>		<ul style="list-style-type: none"> <li>• Enhancing Water Security in Freshwater Ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural chemicals</li> </ul>

# Impact Programs

## 2) Sustainable Forest Management: Drylands

### ■ What is a sustainably managed dryland landscape?

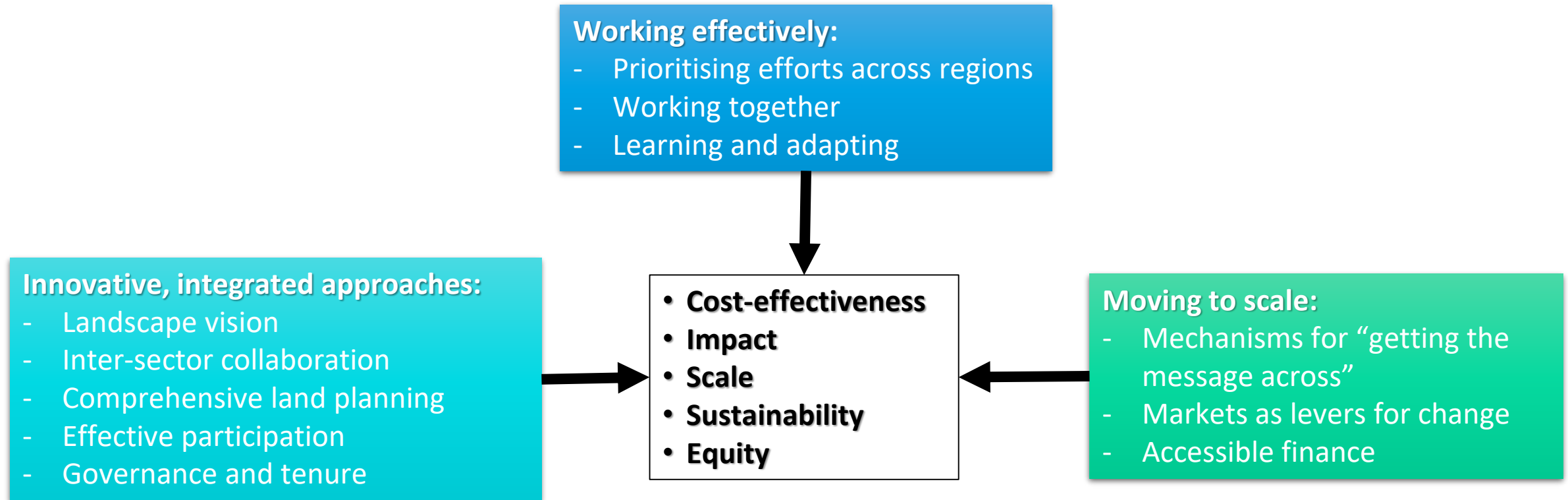


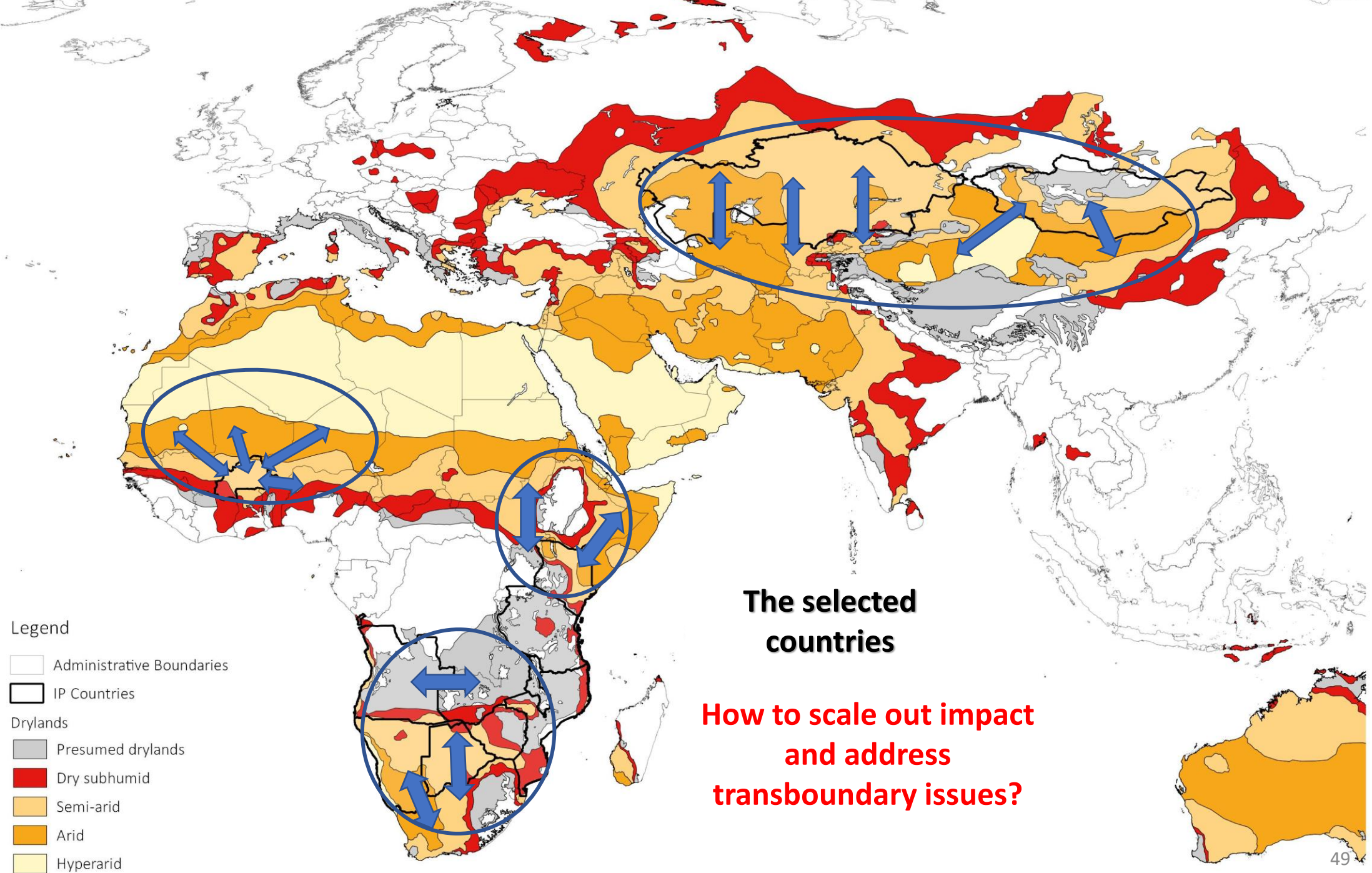


# Impact Programs

## 2) Sustainable Forest Management: Drylands

### ■ What is required for sustainable dryland management? = IP components







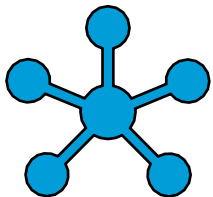
# Impact Programs

## 3) Sustainable Cities: Context



### Cities as drivers of environmental degradation

- 70% GHG emissions, 80% energy consumption
- 2 times urban expansion in Biodiversity hotspots between 2000 and 2030
- Unplanned urban expansion is making millions of people vulnerable to flooding.



### Tap urban growth opportunity for global sustainability

- Naturally integrated and efficient system
- Effective entry point for low carbon and resilient investments



### Build on City leadership on sustainability

- Positive global momentum by Mayors and City Leaders to adopt a sustainable path.
- Build on innovation in technology, business and partnerships offered by cities to scale up sustainable solutions

# Impact Programs

## 3) Sustainable Cities: GEF-7 Approach

- **Dual approach**
  - Specific grant support to selected cities for integrated urban development.
  - Global support on decision tools, knowledge exchange, finance and capacity building.
- **Integration approach** central to the impact program
- **Four key components**
  - Improved governance and evidence based integrated urban planning.
  - Sustainable and integrated low carbon, resilient, conservation and land restoration investments in cities.
  - Innovative financing and municipal capacity to access finance.
  - Knowledge exchange, partnerships and advocacy for urban sustainability.
- Builds on GEF 6 Sustainable Cities Integrated Approach Pilot (SC-IAP).





# Impact Programs

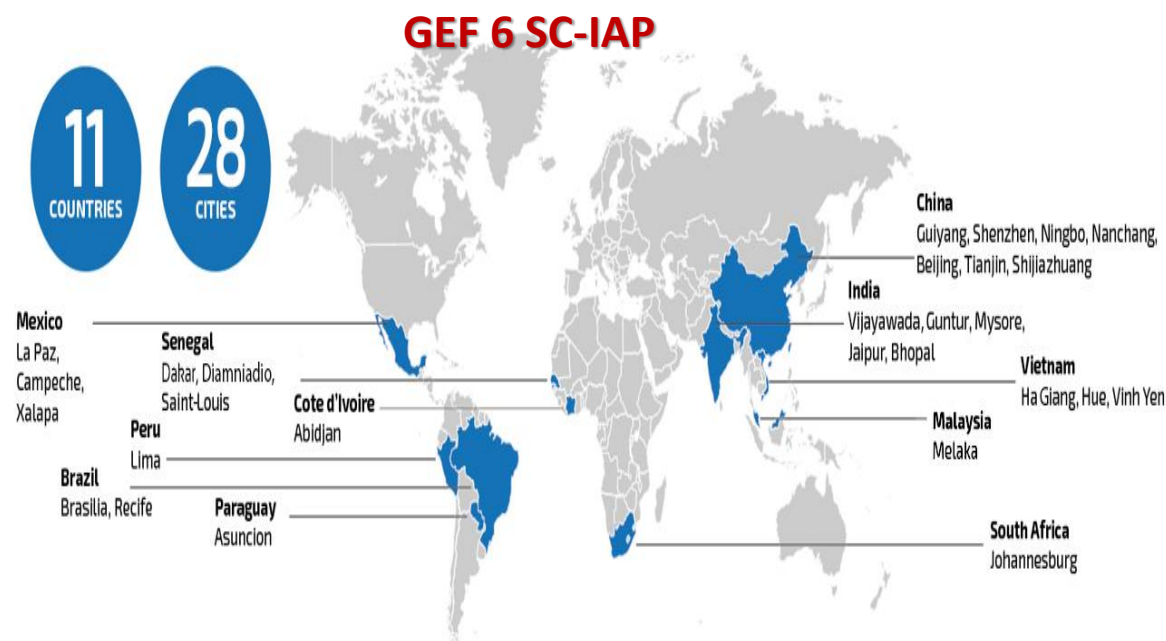
## 3) Sustainable Cities: Impact Program Approach



Prioritized Areas for Investments	
Land /spatial interventions	Urban green space
	Infill Development
	Low emissions zones
Nature-based solutions	Biodiversity/conservation /restoration
	Nature-based solutions
	Urban cooling
Integrated transportation	Public Transport (BRT/TOD)
	Electric mobility
	Non-motorized transport
Integrated water planning and use	Ocean/ Marine
	Other water interventions
Urban metabolism	Waste
	Circular economy
Climate	Resilience
	Mitigation

# Impact Programs

## 3) Sustainable Cities: Global Participation



### Examples from GEF 6 SC-IAP:

- Transit Oriented Development in cities in China
- Integrated Urban Planning in Abidjan-Côte d'Ivoire
- Integrated Urban Planning with innovative digital platform to inform decision making in Recife and Brasilia-Brazil
- PPP based municipal waste management infrastructure in five cities in India
- Policies and regulation facilitated for PPP implementation and solid waste management in Asuncion city.



# Impact Programs

## 3) Sustainable Cities: Global Platform for Sustainable Cities



A forum for knowledge sharing and partnership to achieve urban sustainability

### National Platforms:

- Brazil Platform
- India Platform
- China Platform
- Others

### Knowledge Partners:

- Aarhus, Denmark
- California
- China Center for Urban Development
- Cities in Japan
- UN-Habitat

### Implementing Agencies



THE WORLD BANK



### City Based Organizations

WRI ICLEI C40

### IFIs:

MDBs: AfDB, AIIB, ADB  
IDB, EBRD, EIB, WB  
Regional Banks: CAF,  
Islamic Development  
Bank, AIIB, Nordic  
Investment Bank  
National Banks:  
Development Bank of  
Southern Africa  
IFC: Investment partner

### Partner Organizations:

International: UN-Habitat,  
City Alliance, etc.  
Regional: Nordic City  
Initiative; European Space  
Agency





Part 4.

# Private Sector Engagement

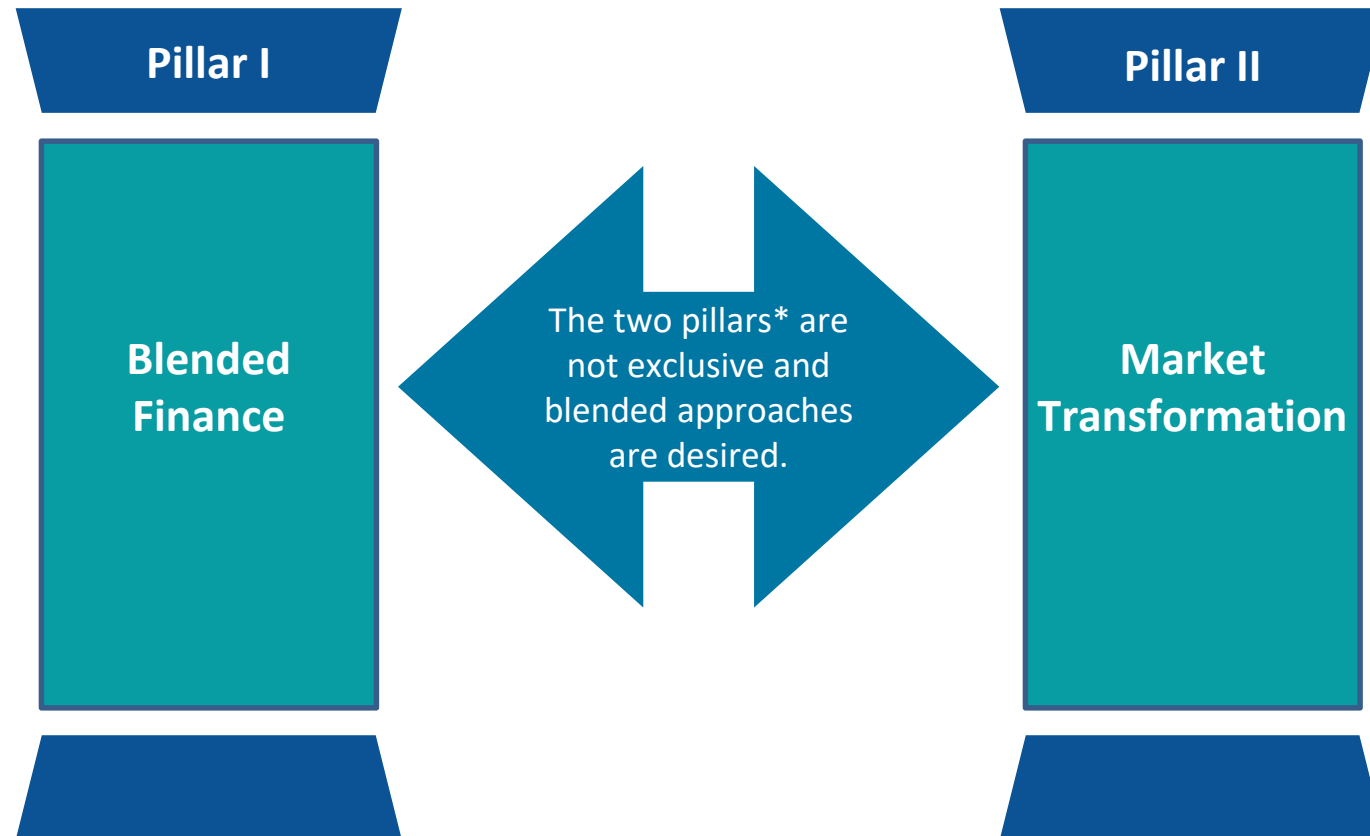




# Private Sector Engagement

## 1) Strategy

### ■ The Two Pillars of GEF Private Sector Strategy



\*Full reference to the pillars of private sector engagement may be found on page 131 of the GEF 7 Replenishment Programming Directions

# Private Sector Engagement

## 2) Private Sector Advisory Group (PSAG)

### ■ Members

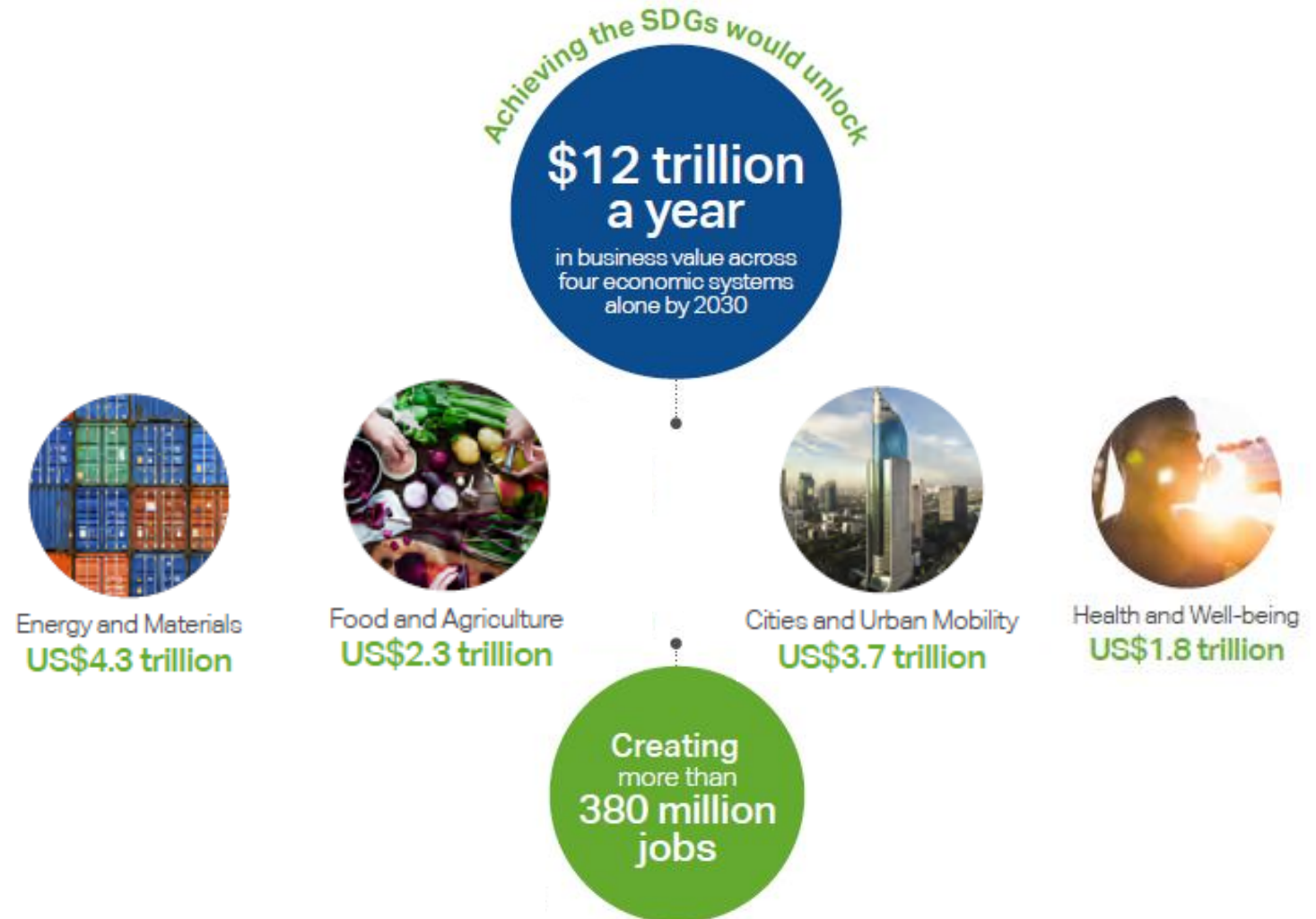
1. Ms Andrea Alvares, Chief Marketing, Innovation and Sustainability Officer ; On Behalf of Mr. Guilherme Leal, Co-Founder and Co-Chairman of the Board of Natura Cosmetics, Brazil. Sector: Natural resources, non-timber forest products other consumer goods.
2. Mr. Yoshihiro Ikegawa, Managing Corporate Executive Officer of Mitsubishi Chemical Holdings Corporation, Japan; On behalf of the Chairperson, Mr. Yoshimitsu Kobayashi. Sector: Chemicals.
3. Ms. Darian McBain, Global Director of Corporate Affairs and Sustainability, Thai Union Group, Thailand; On behalf of the CEO, Mr. Thiraphong Chansiri. Sector: Fisheries.
4. Mr. Robert Metzke, Global Head of Sustainability of Royal Philips, Netherlands; On behalf of the CEO, Mr. Frans van Houten. Sector: Technology, Electronics and other consumer goods.
5. Mr. Jeff Turner, Vice President for Corporate Sustainability of Royal DSM, Netherlands; On behalf of the CEO and Chairperson, Mr. Feike Sijbesma. Sector: Food and Nutrition.
6. Ms. Geraldine Vallejo, taking over from Ms. Helen Crowley, Head of Sustainable Sourcing and Innovation, Kering, France; On behalf of the CEO, Mr. François-Henri Pinault. Sector: Consumer goods, Jewelry, Natural resources.
7. Mr. Kevin Rabinovitch, Global VP Sustainability, Mars Incorporated, USA; On behalf of the CEO, Mr Grant Reid. Sector: Agriculture, Food, Natural Resources
8. Mr. Christopher Stewart, Head of Corporate Responsibility and Sustainability of Olam International, Singapore; On behalf of the CEO, Mr. Sunny Verghese. Sector: Agriculture, Food, Natural Resources.
9. Mr. Serge Rajaobelina, CEO of the Livelihoods Fund at Fanamby, Madagascar. Sector: Ecotourism, non-timber forest products, agriculture, natural resources - SME.
10. Mr. Ajay Vir Jakhar, Chairman of Bharat Krishak Samaj, India. Sector: Agriculture, Food and nutrition - SME.
11. Mr. Bey Soo Khiang, Vice-Chairman of Royal Golden Eagle (RGE), Indonesia; On behalf of the Chairman, Mr. Anderson Tanoto. Sector: Agriculture, Food and Nutrition.
12. Mr. Ademola Adesina, CEO of Rensource Energy, Nigeria. Sector: Energy and cities.



# Private Sector Engagement

## 3) Overview

The opportunities for the private sector from sustainable development amount to over **2 trillion dollars to 2030** in Food and Agriculture



# Private Sector Engagement

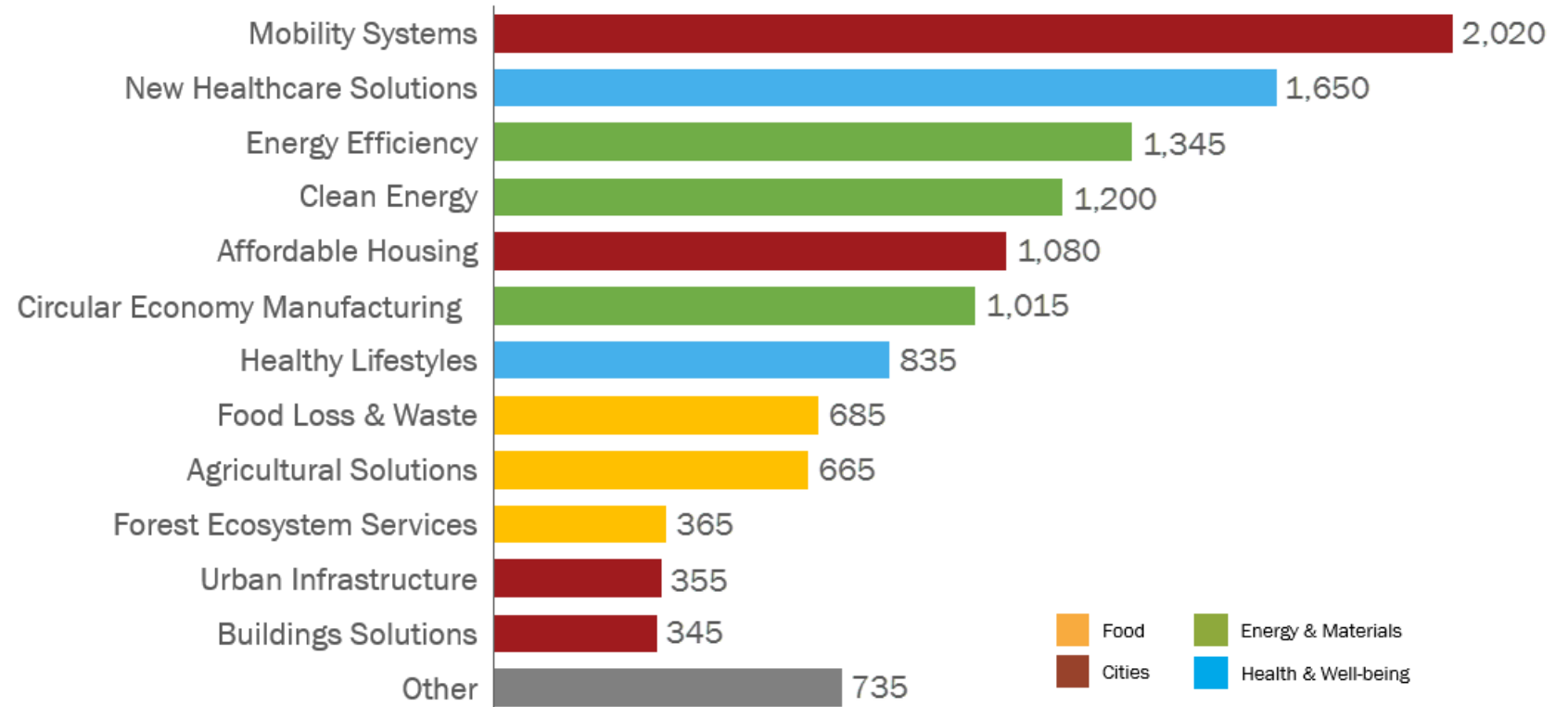
## 3) Overview

**Unleashing  
innovation for  
sustainable growth**

**Delivering new  
products, services,  
processes and  
solutions**

### Largest opportunities

### Size of incremental opportunity in 2030<sup>1</sup> \$ billions

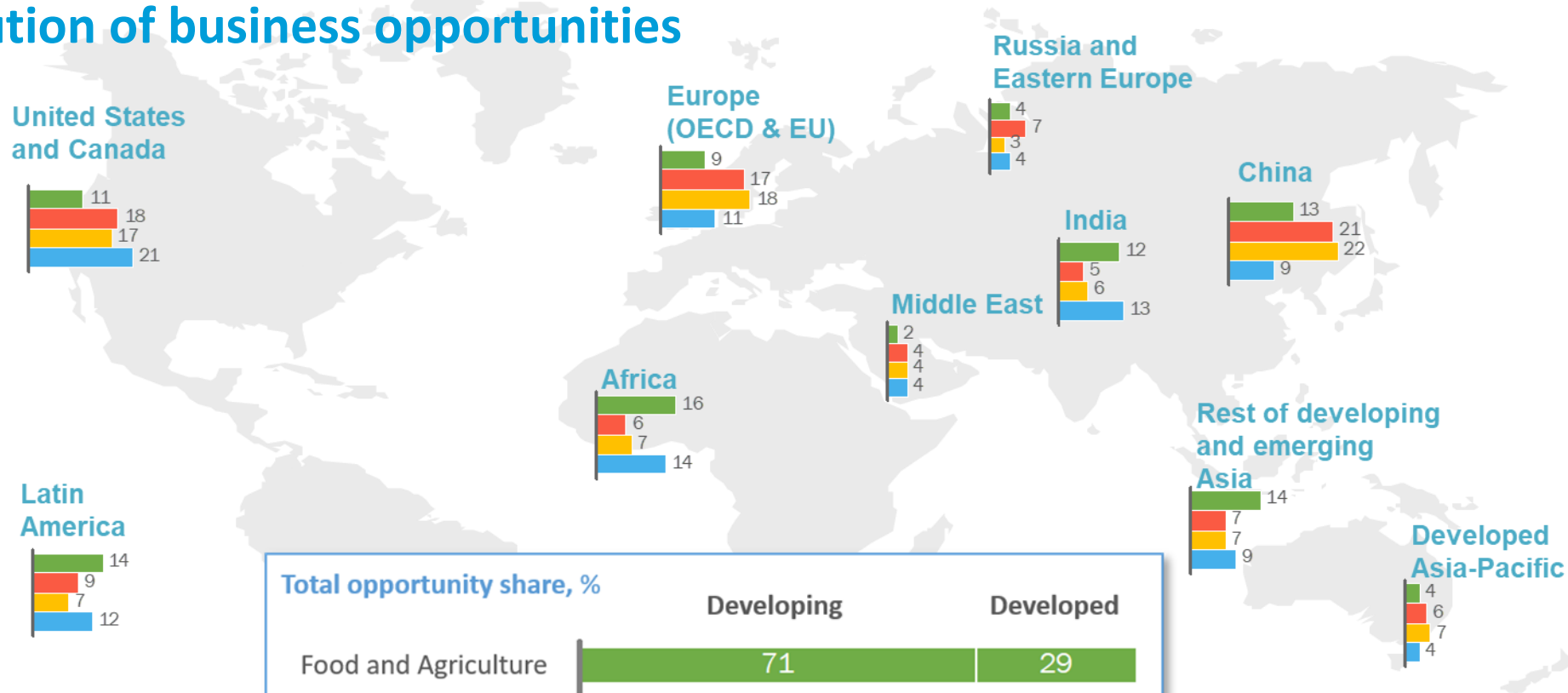




# Private Sector Engagement

## 3) Overview

### ■ Distribution of business opportunities



Total opportunity share, %

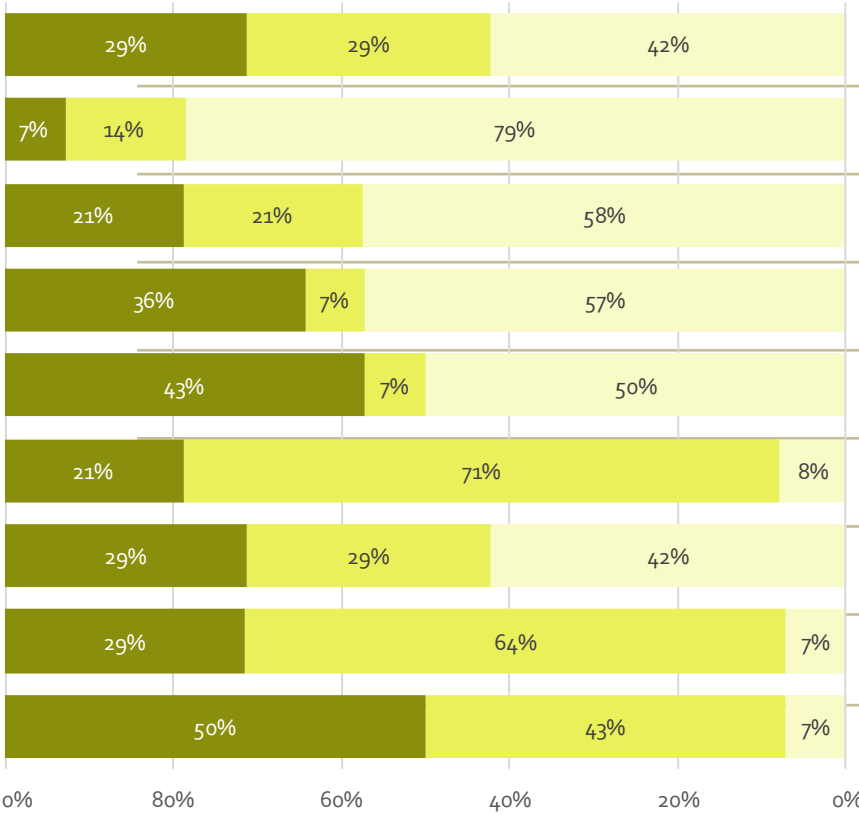
	Developing	Developed
Food and Agriculture	71	29
Cities	52	48
Energy and Materials	54	46
Health and Well-being	60	40

# Private Sector Engagement

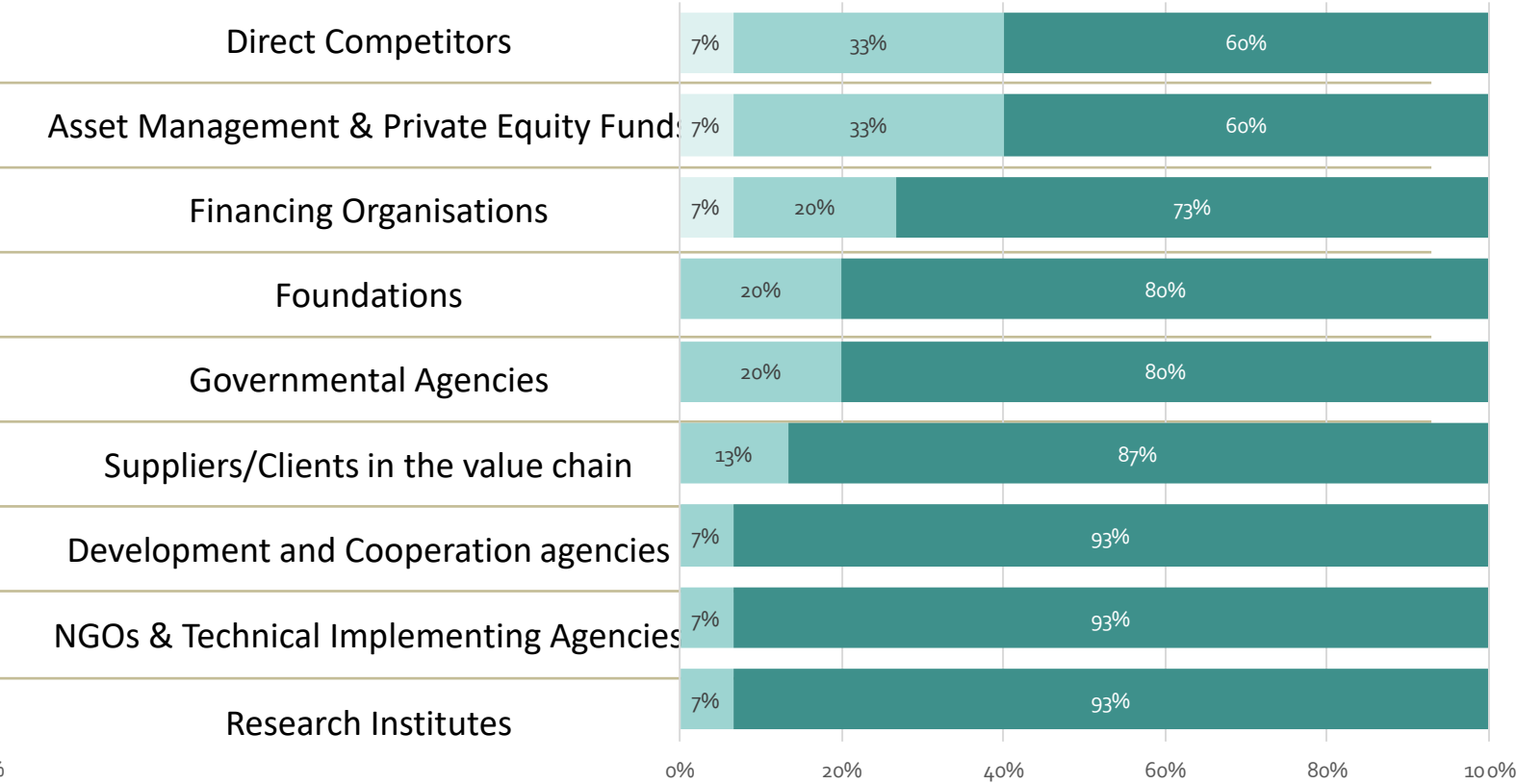
## 3) Overview

### Private Sector Collaboration

Experience



Willingness

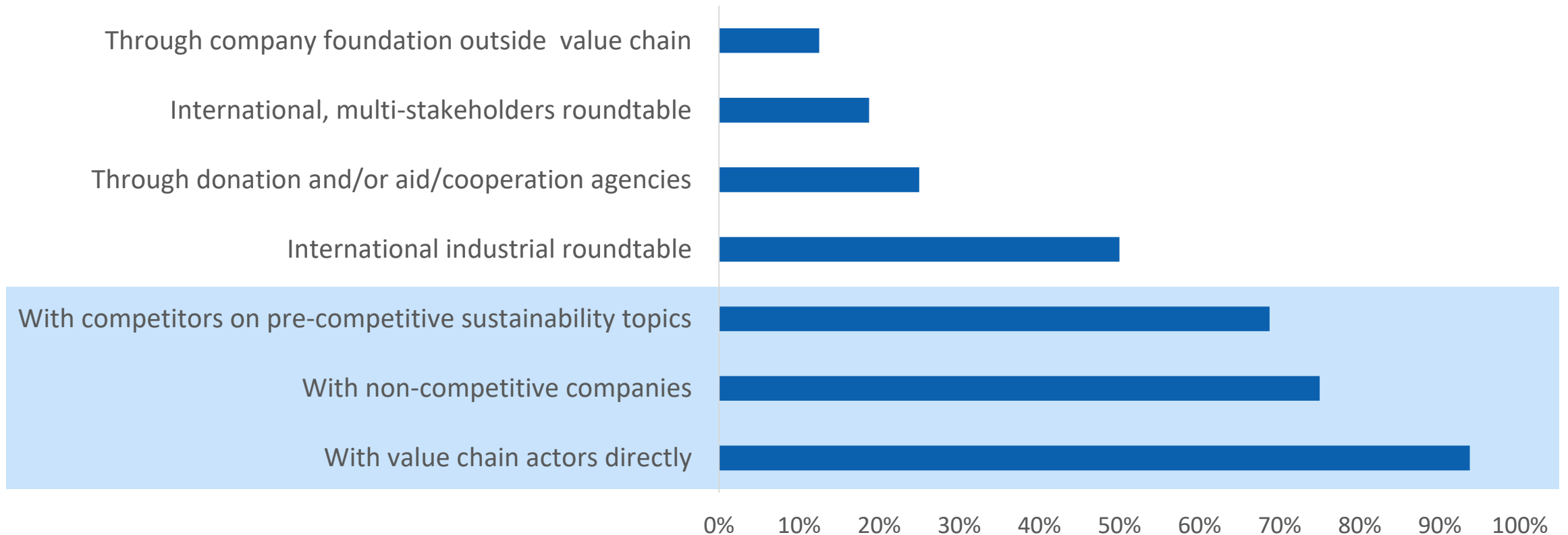




# Private Sector Engagement

## 3) Overview

### ■ Preferred Structures of Collaboration



# Private Sector Engagement

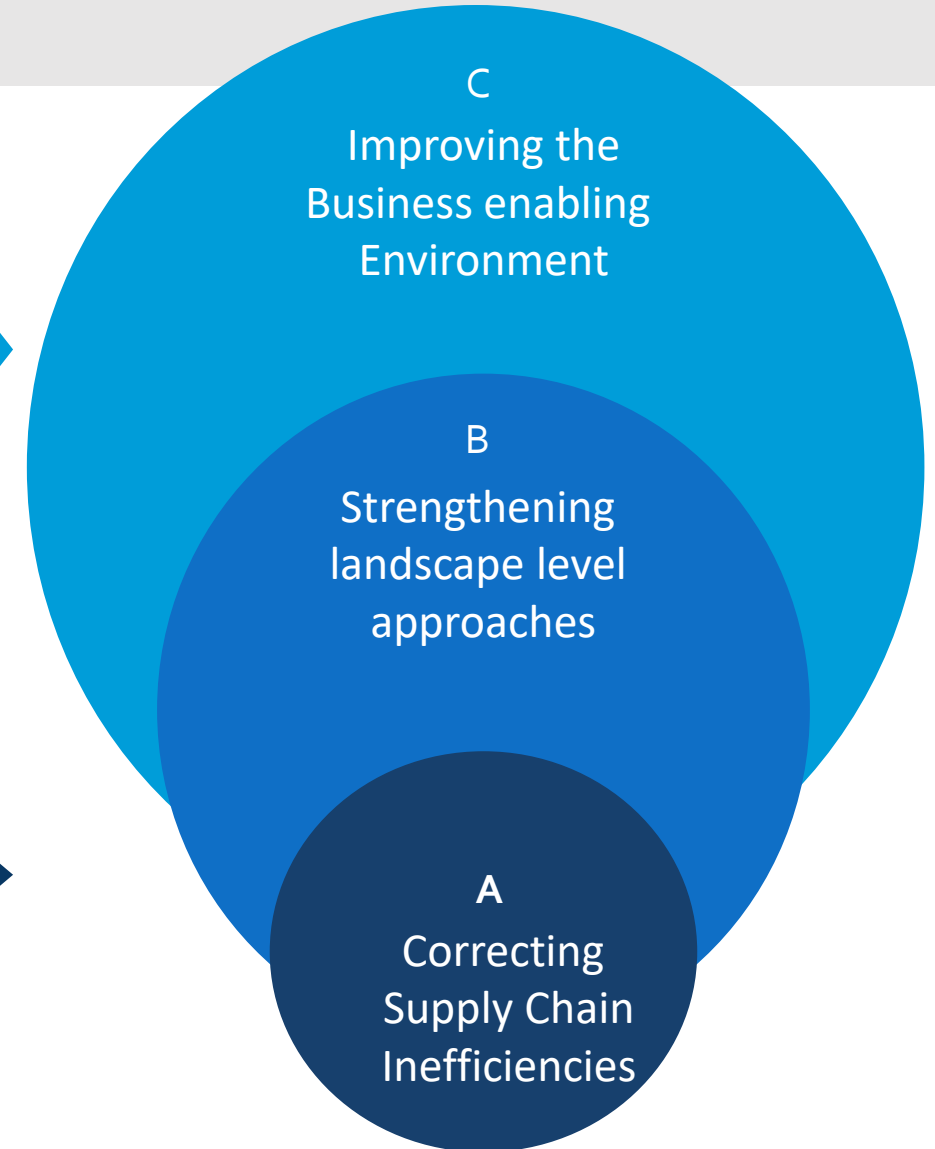
## 3) Overview

### ■ Types of Collaboration to Drive Impact and Scale

Structurally complex, multitude of contributors, geographies and value chains

Collaboration within a geographic and demographic reach

Actors within the same value chain

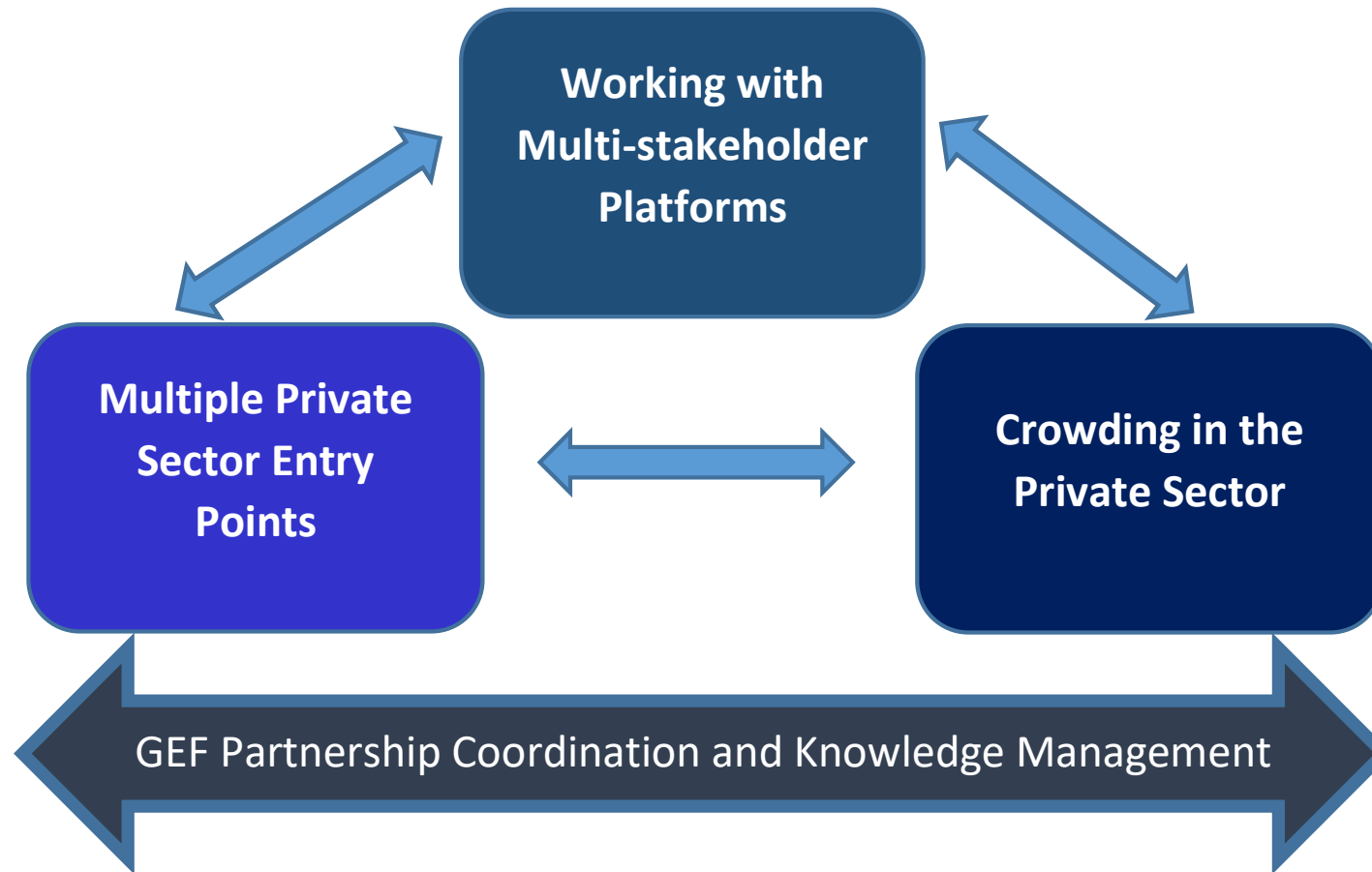




# Private Sector Engagement

## 3) Overview

### ■ Core Strategic Elements



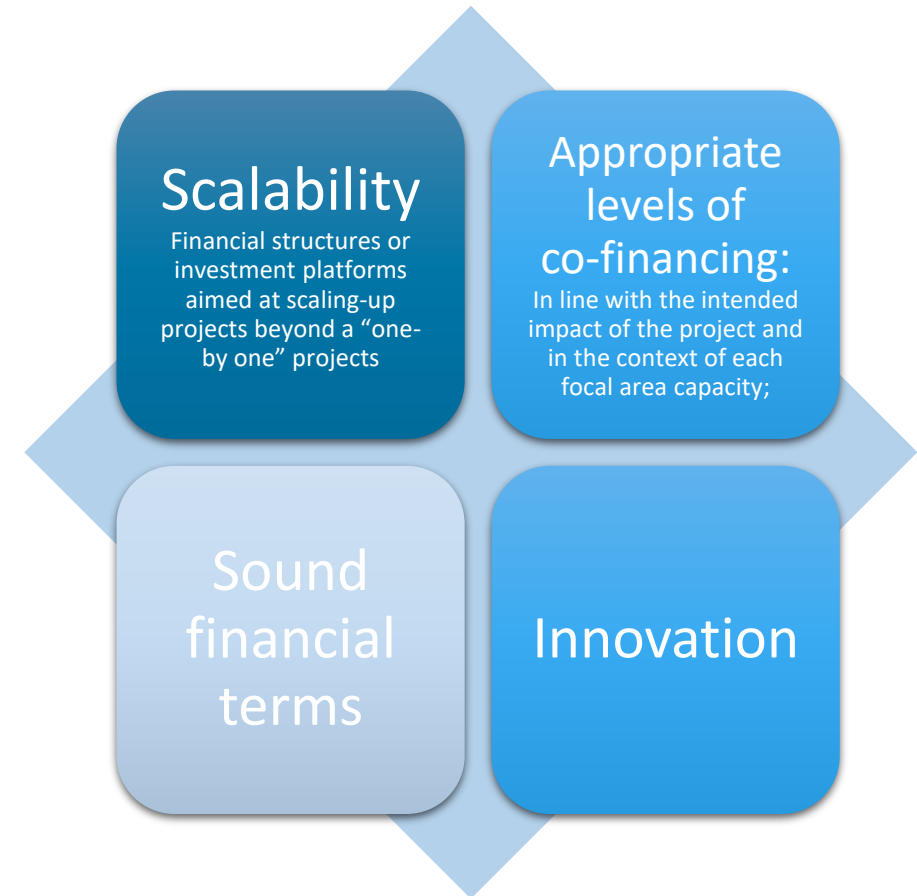
# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance

### ■ GEF's experience with Blended Finance: Priorities

- **GEF has experimented with Blended finance since 2008.** Initially focusing on renewable energy and energy efficiency but lately moving to “**frontier**” areas such as land degradation, biodiversity, and international waters where private sector investment is scarce.
- In **GEF-6**, the Non-Grant Instrument Pilot resulted in 11 innovative projects that included USD 99.5 million in GEF funding while attracting USD 1.79 billion in co-financing through a balanced regional distribution addressing fundamental drivers of global environmental degradation.
- In **GEF-7**, the NGI Program expands the envelop of blended finance to USD 136 million to accelerate the use of non-grant instruments in support of delivering GEBs and continue to catalyze investments from private sector, capital markets. **Three projects** were approved by GEF Council in December 2019, accounting for 25% of the envelop.

### ■ Focus:

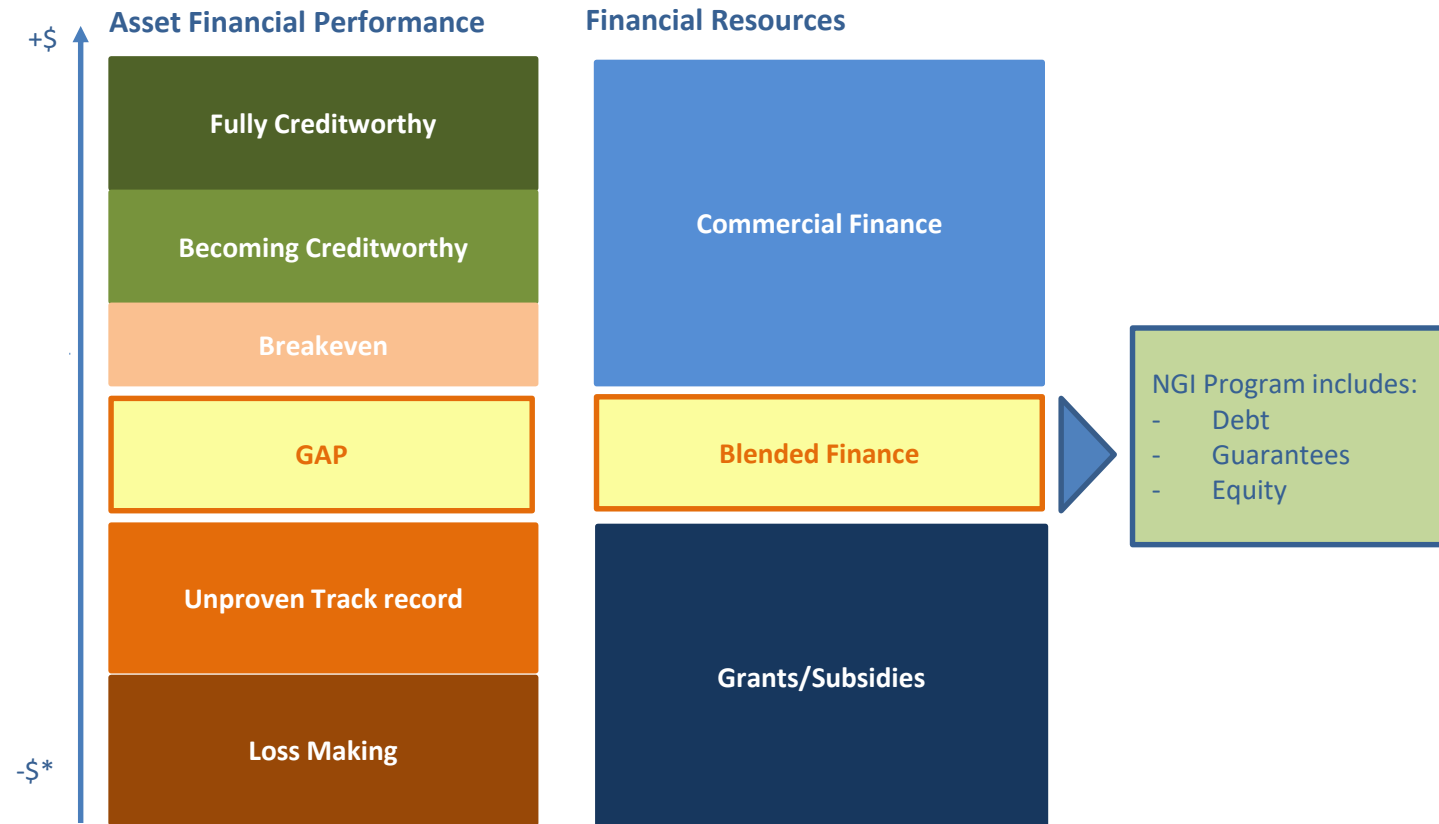


# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance

### ■ GEF's Non Grant Instruments for Blended Finance

- Blended finance is the targeted use of concessional financing in projects where actual or perceived risks are too high for commercial finance alone. It is a strategic tool to promote private sector participation in projects that would otherwise not take place.
- The GEF-7 blended finance initiative is focused on the use of non-grant instruments such as debt, guarantees and equity under the Non Grant Instrument Program (NGI Program).

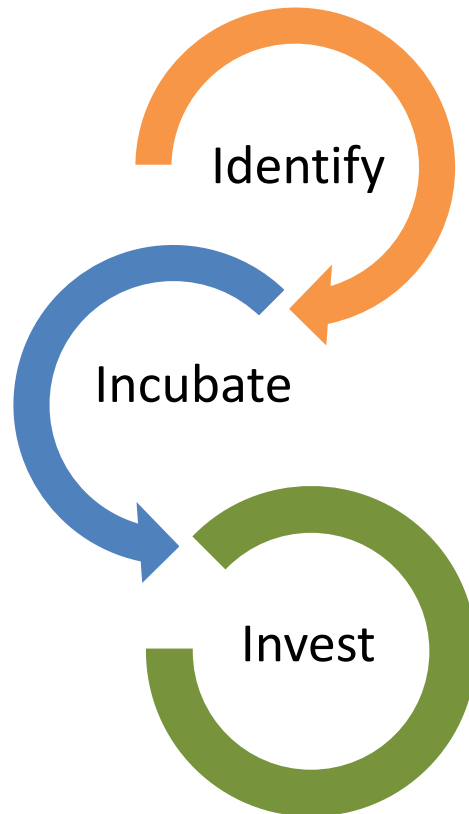




# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance

### ■ Advances in Blended Finance: Three Step Approach



Working closely with financial leaders, CSO, international conventions, and country partners **to identify** where financial innovation can be facilitate greater environmental benefits.

**Incubating ideas** identified by establishing **platforms for like-minded stakeholders**, and through strategic investment for development of new approaches

**Investing** using financial instruments, such as debt, equity, and guarantees to de-risk investments in frontier areas such as land degradation and biodiversity.

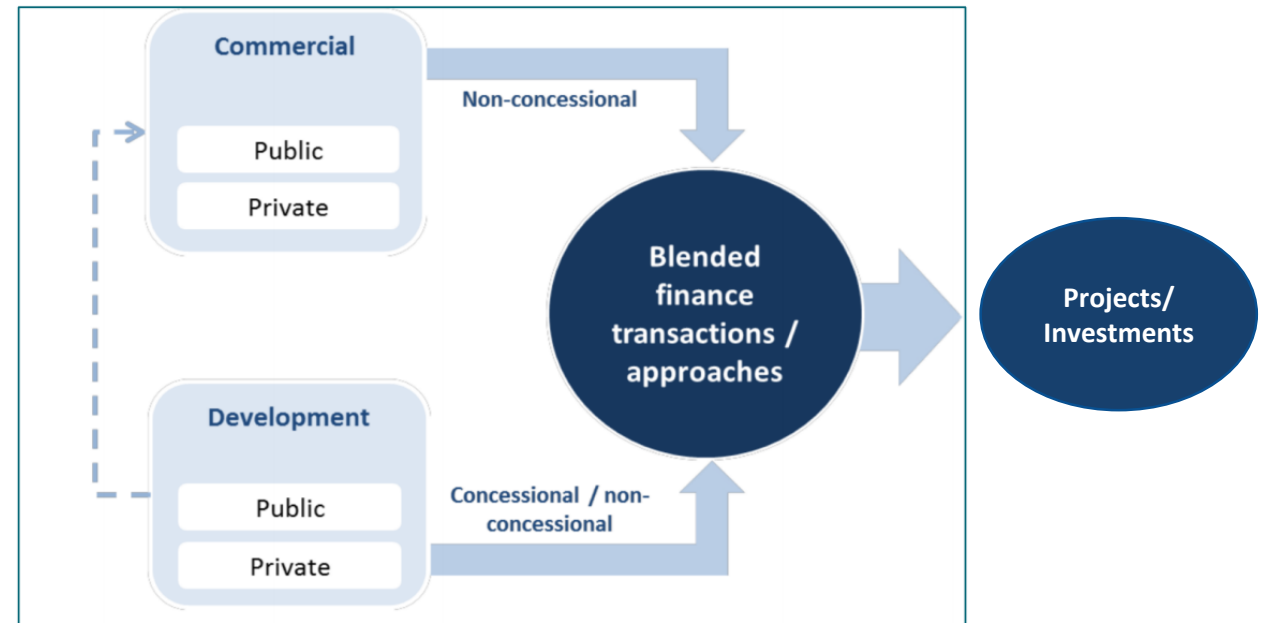
# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance

### ■ NGI Instruments include but are not limited to:

- **Debt.** Money lent for repayment at a later date, usually with interest. Flexible concessional debt has favorable terms (tenor, subordination) or rates relative to market conditions
- **Guarantees.** Instrument that offers protection against investor's losses from various forms of risk (credit/performance).
- **Equity.** Instrument that provides ownership in a company. GEF would accept higher risk for lower financial returns in exchange for environmental impact.

### ■ How financing “blends” to achieve financial terms to attract private sector investment

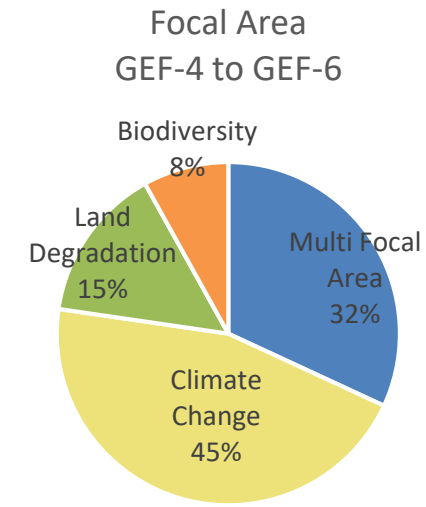
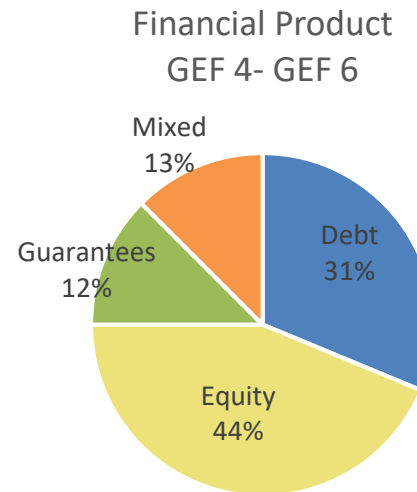
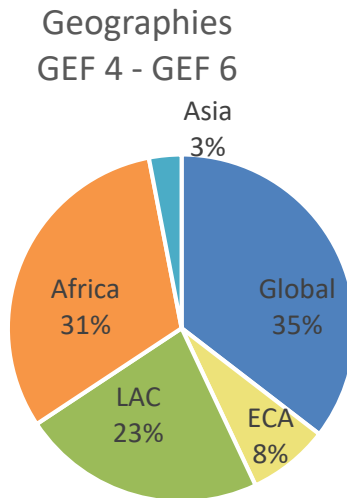


*The dynamics of blended finance. OECD, 2018*

# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance: GEF's experience (GEF-4 to GEF-6)

### ■ Geographies, Products and Focal Areas



### ■ In GEF -7

- The first call for proposals for projects requesting blended finance successfully closed on August 15th 2019 and of **19 projects** received, doubling the available amount in the blended finance envelope (USD 136 M). Of the projects received 11 related to land degradation and biodiversity focal areas.
- The GEF launched an additional call for proposals in January 2020.

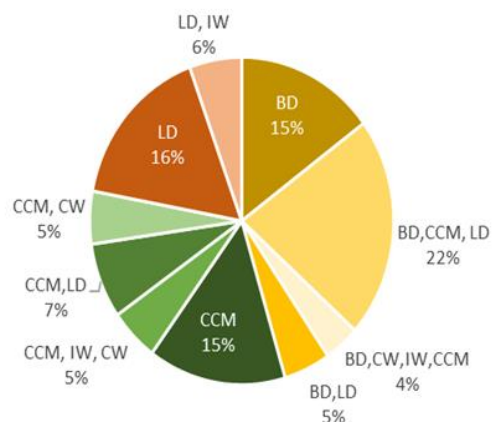


# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance: Interest received in the first GEF-7 call for proposals

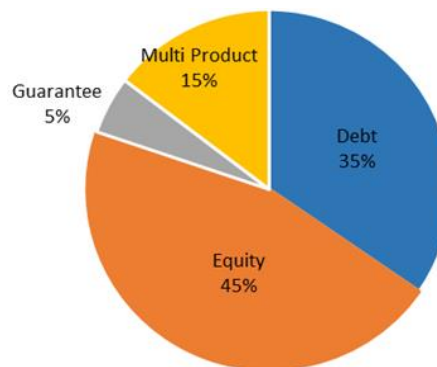
### ■ Geographies, Products and Focal Areas

#### Focal Area



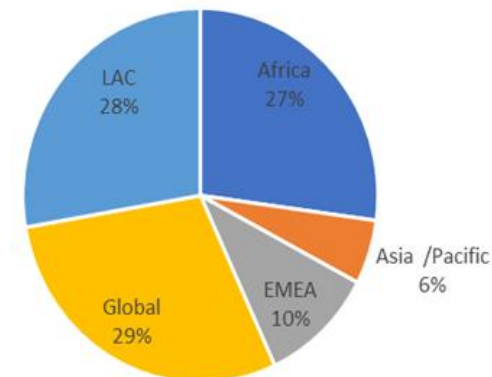
- Single Focal Areas represented 46% of proposals while MF represented 64%, mostly on BD/CCM/LD. Opposite trend than in previous NGI as single FA represented (62%) and MF (38%).
- Opposite trend than in previous NGI as single FA represented (62%) and MF (38%).

#### Financial Product



- Equity was the most demanded product, followed by concessional debt. When compared to previous NGIs, guarantees were less popular and debt products increased its share.
- When compared to previous NGIs, guarantees were less popular and debt products increased its share.

#### Region



- Asia participation remains low but is consistent with previous trends. LAC and Africa were the most important geographical regions requesting GEF blended finance funding
- LAC and Africa were the most important geographical regions requesting GEF blended finance funding

# Private Sector Engagement

## 4) Non-Grant Instrument for blended finance

### ■ GEF's projects in “frontier areas”: examples

#### Biodiversity and Natural Resources



Title: EcoEnterprises II—GEF ID: 4959  
 GEF Agency: Inter-American Development Bank (IADB)  
 Instrument: Equity Investment into a Venture Capital Fund  
 GEF Investment: \$5 Million  
 Co-financing: \$30.25 Million



Title: 8Green Fund  
 GEF Agency: United Nations Environment Programme (UNEP)  
 Instrument: Redeemable Grant  
 GEF Investment: \$2 million  
 Co-financing: \$52 million

#### Sustainable Fishing and International Waters



Title: Blue Bonds for the Third South West Indian Ocean Fisheries Governance a Shared Growth Project (SWIOFish3)  
 GEF Agency: World Bank  
 Instrument: Concessional Debt  
 GEF Investment: \$5 million  
 Co-financing: \$32 million

#### Climate Change Adaptation and Resiliency



Title: Climate Resilience and Adaptation Finance and Technology Transfer Facility (CRAFT)  
 GEF Agency: Conservation International  
 Instrument: Technical Assistance  
 GEF Investment: \$1 million  
 Co-financing: Up to \$500 million when fully invested



## Part 5.

# Support to Climate Change Adaptation:

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



# Climate Change Adaptation

## 1) LDCF/SCCF Strategy Highlights

- **Goal:** To strengthen resilience and reduce vulnerability to the adverse impacts of climate change in developing countries, and support their efforts to enhance adaptive capacity



Aligned with long-term adaptation goal of Paris Agreement



Offer opportunities to mainstream adaptation



Enable countries to better utilize climate funds to develop harmonized solutions



Engage with private sector, enhance resilience

# Climate Change Adaptation

## 2) LDCF objectives and entry points

### ■ LDCF

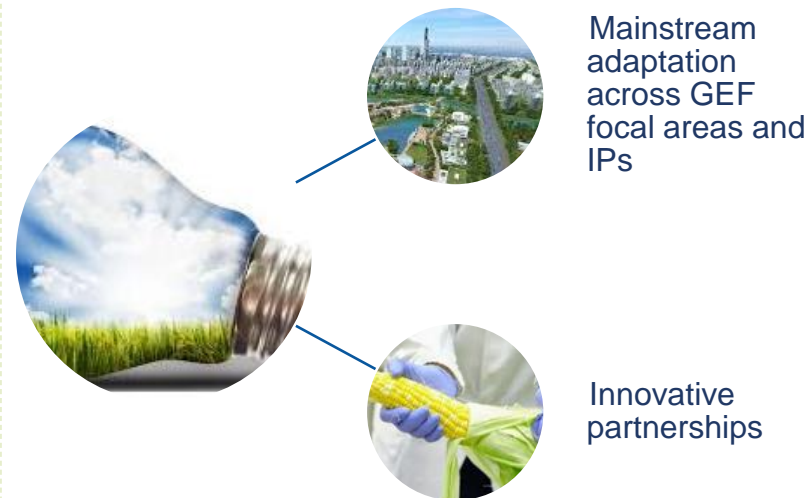
#### Objective 1:

Reduce vulnerability and increase resilience through innovation and technology transfer for adaptation



#### Objective 2:

Mainstream adaptation and resilience for systemic impact



#### Objective 3:

Foster enabling conditions for effective and integrated adaptation



# Climate Change Adaptation

## 2) SCCF objectives and entry points

### ■ SCCF

#### Objective 1:

Reduce vulnerability and increase resilience through innovation and technology transfer for adaptation



Challenge Program for adaptation innovation

#### Objective 2:

Mainstream adaptation and resilience for systemic impact



Incentive for mainstreaming adaptation and resilience

#### Objective 3:

Foster enabling conditions for effective and integrated adaptation



Support for enabling activities in response to COP guidance

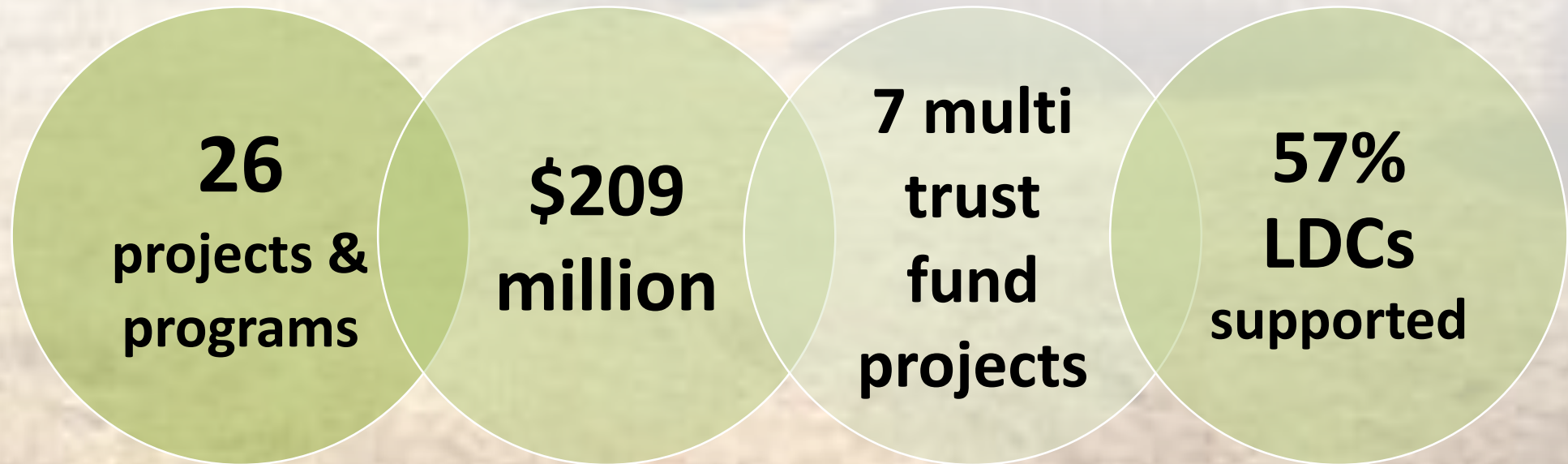


# Climate Change Adaptation

## 3) Programming Status

### ■ Access to LDCF Resources in GEF-7

- Transitioned to Work Program & Council approval
- \$10 million cap per LDC
- Significantly reduced wait time
- Off to a good start



# Climate Change Adaptation

## 3) Programming Status

### ■ Efforts to ensure LDCF access

- 27 LDCs (57 percent of LDCs) accessed LDCF resources within 18 months of GEF-7
- 11 LDCs have accessed \$10 million cap
- Ministerial dialogue and pledging session co-organized with LDC Group and Germany => Pledge of \$167M
- LDCs with low utilization and graduating LDCs receiving priority support
- Outreach and consultation continue
- Coordination with countries and GCF



# Climate Change Adaptation

## 4) Challenge Program for Adaptation Innovation

### ■ What is it?

- To identify innovative adaptation options with significant impact and benefits
- To support entrepreneurship, private sector
- \$5 million each from LDCF and SCCF

### ■ Status:

- Call for proposals in August 2019
- ~400 concepts from 343 organizations
- 9 finalists selected for development
- Review and approval based GEF policy
- All PIFs undergoing review/approval





# Climate Change Adaptation

## Contact

- **Please contact**

- Chizuru Aoki: Lead
- Alope Barnwal: Africa, Sustainable Cities
- Fareeha Iqbal: SIDS
- Katya Kuang-Igba: Africa
- Yuki Shiga: Asia
- Jason Spensley: Africa, private sector



An aerial photograph of a vast, dense tropical forest. A winding river or stream flows through the center of the forest, surrounded by lush green vegetation. The trees are tall and dense, with some bare branches visible. The overall scene is a lush, green landscape.

**Thank you!**