



Assistance for Action

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GEF's Role and Activities for Climate Change Mitigation

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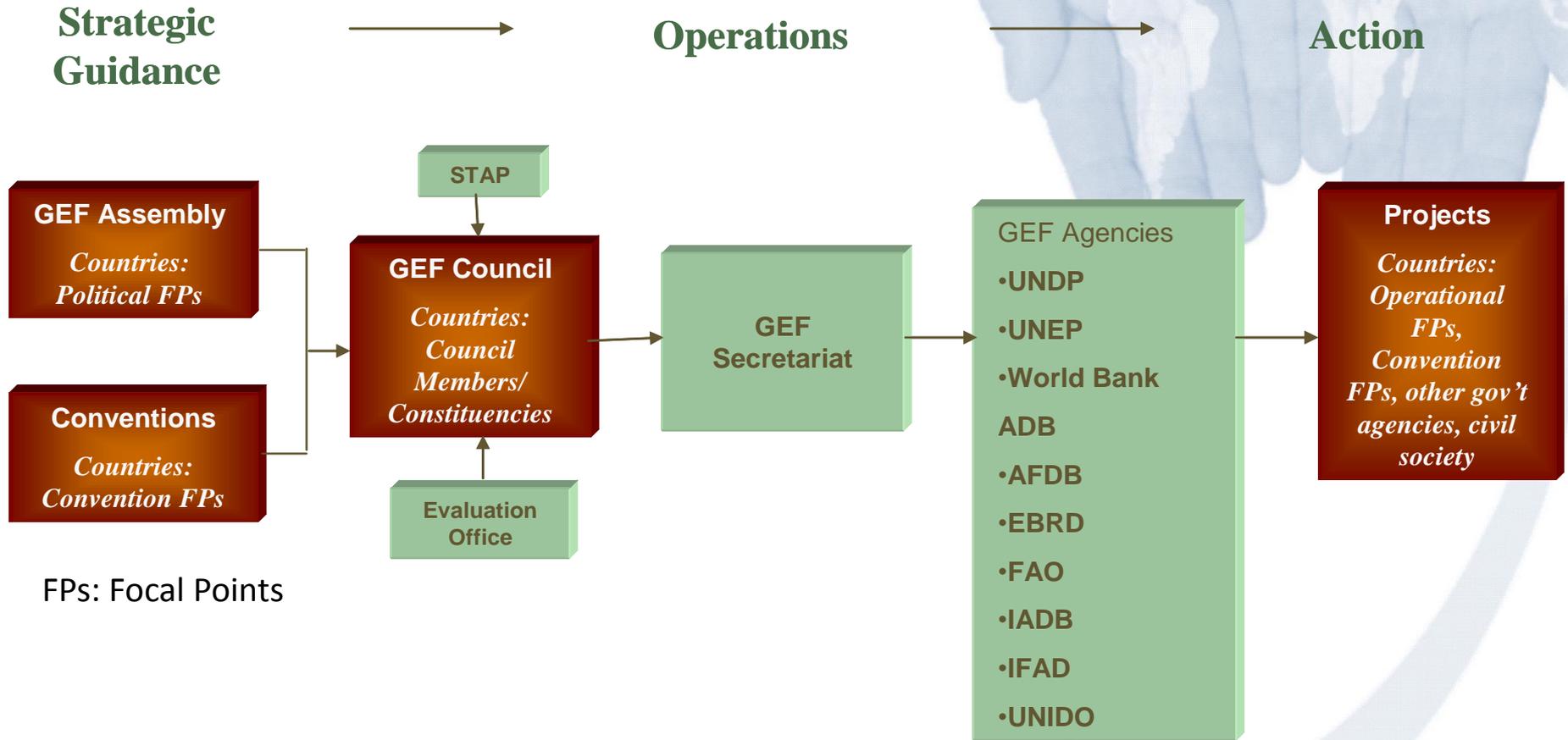


Global Environment Facility (GEF)

- Established in 1991
- GEF member countries: 182
- Mission: providing new, and additional, grant and concessional funding to meet the **agreed incremental costs** of measures to achieve **agreed global environmental benefits**
- An operating entity of the financial mechanism under the UN Framework Convention on Climate Change (UNFCCC)
- Supported administratively by the World Bank, which is also the Trustee of the GEF Trust Fund



GEF Institutional Framework





GEF Agencies

GEF Agencies are the operational arm of the GEF in project implementation.

- Asian Development Bank (ADB)
- African Development Bank (AfDB)
- European Bank for Reconstruction and Development (EBRD)
- Food and Agriculture Organization of the United Nations (FAO)
- Inter-American Development Bank (IDB)
- International Fund for Agricultural Development (IFAD)
- United Nations Development Programme (UNDP)
- United Nations Environment Programme (UNEP)
- United Nations Industrial Development Organization (UNIDO)
- World Bank (WB)



GEF Project Cycle

1. GEF CEO review of the Project Identification Form (PIF) submitted by GEF Agencies
2. GEF Council approval of the Work Program which comprises cleared PIFs
3. GEF CEO endorsement of the project
4. Implementation, supervision, monitoring and final evaluation of the project



GEF Replenishment Cycle

- Resources for the GEF Trust Fund are replenished every four years.
- Countries that wish to contribute to the GEF Trust Fund pledge resources through a process called the '**GEF Replenishment**.'
- Fifth replenishment of the GEF Trust Fund (GEF-5)
 - Covers GEF operations and activities for the four years from July 1, 2010 through June 30, 2014
 - Adopts focal area strategies
 - Pledges \$4.2 billion
- Discussions on GEF-6 begin early 2013.



Climate Change Mitigation (CCM) Guiding Principles under GEF-5

- Responsiveness to Convention guidance
- Consideration of national circumstances of recipient countries
- Cost-effectiveness in achieving global environmental benefits

GEF-5 will endeavor to make a **transformative impact** in helping GEF-recipient countries move to a low-carbon development path through **market transformation** of and **investment** in environmentally sound, climate-friendly technologies.



Climate Change Mitigation (CCM) Strategic Objectives under GEF-5

Sector	Objective
CCM-1: Innovative Low-Carbon Technologies	Promote the demonstration, deployment, and transfer of innovative low-carbon technologies
CCM-2: Energy Efficiency	Promote market transformation for energy efficiency in industry and the building sector
CCM-3: Renewable Energy	Promote investment in renewable energy technologies
CCM-4: Transport/ Urban	Promote energy efficient, low-carbon transport and urban systems
CCM-5: Land-use, Land-use change and Forestry	Promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry
CCM-6: Enabling Activities	Support enabling activities and capacity building under the Convention



Operating Entity of the UNFCCC Financial Mechanism

- The GEF, as an operating entity of the UNFCCC financial mechanism, functions under the guidance of the Conference of the Parties (COP).
- The COP has provided guidance regularly to the GEF. The GEF has responded to the COP guidance.
- Examples of COP guidance:
 - The COP requested the GEF to continue to enhance the transparency of the project review process throughout the project cycle (Decision 11/CP.17).
 - The COP requested the GEF to continue its promotion of energy efficiency projects (Decision 2/CP.12).
- Further information is available at the GEF report to COP 18 (<http://www.thegef.org/gef/taxonomy/term/425>).



Country Ownership

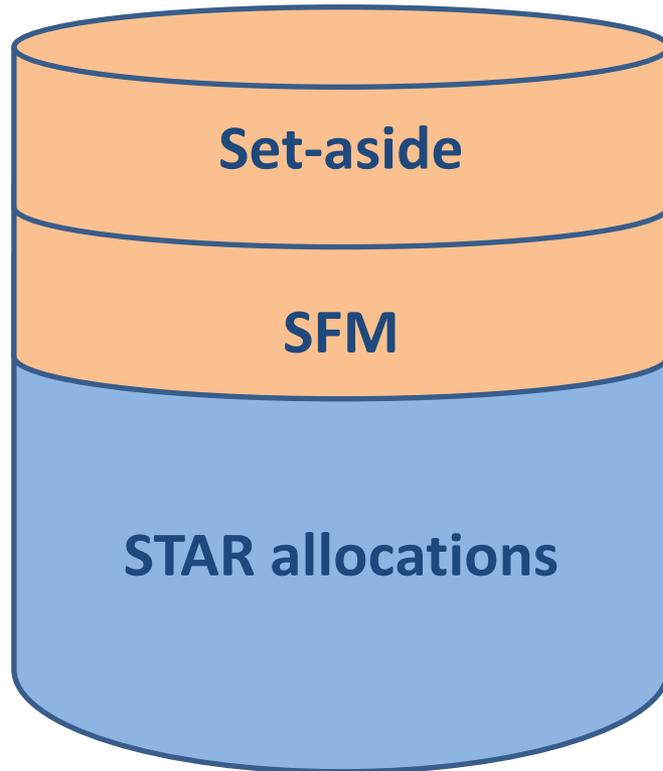
- GEF projects must be country-driven:
 - Based on national priorities
 - Designed to support sustainable development
- System for Transparent Allocation of Resources (STAR) in GEF-5
 - Allocates resources to countries based on objective criteria in the focal areas (biodiversity, climate change, and land degradation)
 - Provides predictability of funding and flexibility in programming
 - Enhances planning at the country level and contributes to improving country ownership of GEF projects and programs



Climate Change Mitigation (CCM) Allocation in GEF-5

CCM allocation in GEF-5

→ \$1.35 billion under the \$4.2 billion scenario



CCM Set-aside: \$172 million for National Communications, Technology Needs Assessments, Global/regional projects etc.

Sustainable Forest Management (SFM) program: \$130 million

STAR allocations for 144 countries: \$1,088 million in total



GEF CCM Projects in GEF-5 (FY 2011 and FY 2012)

	Number of Projects		GEF Amount (\$ millions)		Co-financing (\$ millions)
Technology Transfer (CCM-1)	19	22.4%	295.0	35.3%	1,467.1
Energy Efficiency	11	12.9%	101.6	12.2%	2,149.0
Renewable Energy	11	12.9%	34.3	4.1%	164.9
Transport /Urban	5	5.9%	40.4	4.8%	453.4
LULUCF	4	4.7%	16.5	2.0%	45.6
LULUCF & SFM/REDD+	16	18.8%	198.8	23.8%	865.5
Mixed	11	12.9%	78.5	9.4%	673.0
Small Grants Program	8	9.4%	70.6	8.5%	72.6
Total	85	100.0%	835.6	100.0%	5,891.0

Note:

1. GEF amount includes funding from other focal areas and Special Climate Change Fund, Project Preparation Grant, and Agency fee. Total of the funding from other focal areas and SCCF is \$311.1 million.
2. Parent programs are not counted.



Technology Needs Assessments (TNAs)

- The COP at its 14th session welcomed the GEF's Strategic Program on Technology Transfer, renaming it **the Poznan Strategic Program on Technology Transfer**, which has the following three windows:
 - **Technology needs assessments (TNAs)**
 - Pilot priority technology project linked to TNAs
 - Dissemination of GEF experience and successfully demonstrated environmentally sound technologies
- TNAs:
 - Assist developing countries in identifying and analyzing the priority technology needs
 - Present an opportunity to track evolving needs for new equipment, techniques, knowledge and skills



GEF-supported TNA Project

- Implemented and executed by UNEP
- Launched in November 2009
- GEF funding: 9 million, Co-financing: 2.85 million (national governments, UNEP, etc.)
- Aims to provide financial and technical support to assist developing countries in developing and/or updating their TNAs and to support them in preparing Technology Action Plans (TAPs).
- Progress in the project:
 - 36 countries are participating in the project.
 - Draft TNA reports have been submitted by 12 countries.
 - TAPs have been submitted by 6 countries.
- Further information is available at http://www.thegef.org/gef/TT_tech_needs_assessment



Global Fuel Economy Initiative (GFEI) Project

- The PIF for the GFEI (Phase 2) was approved in June 2012.
- Implemented by UNEP
- GEF funding: \$1.7 million (Set-aside + STAR allocations from 4 countries)
- Co-financing: \$13.4 million (National governments, UNEP, FIA foundation, IEA etc.)
- Objective: Support the development of fuel economy policies in developing countries
- Project components: (i) Development of fuel economy policies at a national level; (ii) Regional replication; and (iii) Dissemination at a global level



Conclusions

- GEF covers the agreed incremental costs to achieve global environmental benefits.
- GEF projects are implemented by GEF Agencies.
- GEF CCM projects:
 - are responsive to UNFCCC COP guidance;
 - consider national circumstances of recipient countries; and
 - should demonstrate cost-effectiveness in achieving global environmental benefits.