



GEF

EFFECTIVE
RESPONSIVE
TARGETED



GLOBAL
ENVIRONMENT
FACILITY



“THE IMPACT OF THE GLOBAL ENVIRONMENT FACILITY AND ITS PARTNERS RIPPLES OUTWARD IN EVERY DIRECTION, HELPING TO IMPROVE THE GLOBAL ENVIRONMENT WHILE CREATING LIVELIHOODS AND OPPORTUNITIES FOR THE WORLD’S POOR.”

LEN GOOD
CHIEF EXECUTIVE OFFICER
AND CHAIRMAN
GLOBAL ENVIRONMENT FACILITY (GEF)

THE GLOBAL ENVIRONMENT FACILITY (GEF)

The GEF unites 176 member governments—in partnership with international institutions, nongovernmental organizations (NGOs), and the private sector—to address global environmental issues while supporting national sustainable development initiatives. It is the catalyst that drives actions to improve the global environment.

The GEF is an independent entity. Initiated as a partnership between the U.N. Environment Programme (UNEP), U.N. Development Programme (UNDP), and the World Bank, the GEF is the designated financial mechanism for the international agreements on biodiversity, climate change, persistent organic pollutants, and desertification. It also supports the work of global agreements to protect international waters and the ozone layer. In all its work, the GEF promotes problem-solving partnerships and practical solutions.

The GEF mobilizes international cooperation, helping to move the world toward sustainable development. It links local and global environmental challenges. In just 12 years, it has evolved into an effective and transparent entity with a solid track record of getting results. Today, the GEF is the largest funder of projects to improve the global environment.

EFFECTIVE

Governments, private companies, the scientific community, grassroots organizations, and NGOs all contribute their specialties and expertise to the GEF's work. These collaborations create stronger results and save resources.

At the heart of the GEF's work are its three Implementing Agencies, which share the credit for the GEF's measurable on-the-ground achievements. Seven other regional development banks and specialized U.N. agencies also manage GEF projects and contribute to the GEF's impact. To date, the GEF has over 1,300 projects in more than 140 developing nations and countries with economies in transition.

Leveraging is another area where the GEF shows its effectiveness. The GEF's investments earn \$3 for every \$1 committed by the organization. Over the past decade, the GEF has committed \$4.5 billion in



GEF IMPLEMENTING AGENCIES

U.N. Development Programme
(UNDP)
U.N. Environment Programme
(UNEP)
World Bank

GEF EXECUTING AGENCIES

African Development Bank (AfDB)
Asian Development Bank (ADB)
European Bank for Reconstruction
and Development (EBRD)
Inter-American Development Bank
(IDB)
U.N. Food and Agriculture
Organization (FAO)
U.N. Industrial Development
Organization (UNIDO)
International Fund for Agricultural
Development (IFAD)

grants and leveraged \$14 billion in cofinancing. This impressive record illustrates the wide impact of the GEF's work.

RESPONSIVE

ON THE COUNTRY LEVEL . . . All GEF projects are country-driven. In order for the GEF to support a project, the country's government must approve it. The project needs to reflect the national priorities of the country involved.

ON THE LOCAL LEVEL. . . Currently, more than 700 NGOs and community groups participate in GEF activities and spearhead medium-sized projects. Under the GEF's Small Grants Programme, administered by UNDP, more than 4,000 small grants have gone directly to NGOs and community groups and that funding is being doubled.

ON THE GLOBAL LEVEL . . . GEF's mandate has continually evolved to reflect new international concerns and a changing world. This is seen in the expansion of GEF's mandate to include land degradation and persistent organic pollutants. In 2002, the international donor community showed its support for the GEF by pledging an additional \$3 billion to broaden and accelerate the GEF's work—it was the largest replenishment ever.

TARGETED

The GEF's work is targeted to a specific global agenda: biodiversity, climate change, the ozone layer, international waters, land degradation, and persistent organic pollutants. Having special areas of focus allows the GEF to concentrate its resources and expertise—and generate a greater impact.



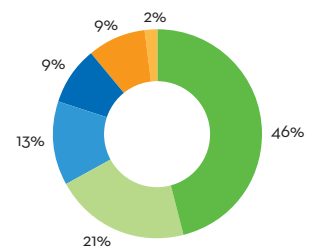
THE GEF MANDATE

The GEF enters its second decade with a strong mandate to expand its work to address the disturbing environmental trends that permit the growth of poverty, disease, hopelessness, and conflict.

REDUCING RISKS OF CLIMATE CHANGE

As the financial mechanism for the U.N. Framework Convention on Climate Change, the GEF is helping developing countries promote the use of clean energy and reduce the consumption of fossil fuel. The GEF is the largest funder of renewable energy in the developing world, supporting energy efficient lights as well as solar, wind, geothermal, biomass, and small hydropower energy. In 12 years, the GEF's clean energy portfolio has grown to more than \$1.6 billion in grants for projects with a total value of

NONGOVERNMENTAL GROUPS INVOLVED IN GEF PROJECTS



- International private companies
- Regional groups
- In-country private companies
- International groups
- In-country academic institutions
- Local/national groups



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more than \$10.6 billion. Accelerating the transition to efficient and renewable energy will bring enormous economic, social, and environmental benefits.

The GEF also addresses climate change issues through GEF's Small Grants Programme. The genius of the Small Grants Programme is that it touches the lives of thousands of ordinary people—the NGOs, community organizers, small entrepreneurs, and other leaders in local communities—who need the most assistance to respond to climate change. To date, the GEF has committed \$117.4 million in small grants to promote locally appropriate solutions to this and other global environmental concerns.

All of GEF's climate programs are helping countries to adapt to the adverse effects of climate change. Particularly at risk are small island states with fragile coastal ecosystems, such as the Caribbean and Pacific islands. The GEF is working with these countries to identify areas vulnerable to climate change and sea level rise, develop cost-effective response programs, and enhance regional and national capabilities for dealing with climate change problems.



STEMMING BIODIVERSITY LOSS

From ocean depths to high mountaintops, from dry deserts to moist rain forests, the earth collectively supports millions of species of plants and animals. All people, regardless of birth or economic status, depend on this natural endowment for their lives and livelihoods. Loss of these natural goods and services hinders national development, taking the most serious toll on those who depend most directly on natural resources for their survival—the poor.

The GEF funds and supports practical measures to encourage the conservation and sustainable use of biodiversity, which improves the livelihoods of those dependent on natural resources. Since 1991, the GEF has provided \$1.5 billion and leveraged \$2.5 billion more from its partners for more than 450 projects that address the loss of globally significant biodiversity. As the financial mechanism for the U.N. Convention on Biological Diversity, the GEF supports a biodiversity portfolio that centers on critical, life-supporting systems and the interactions among them: drylands, forests, mountains, agricultural biodiversity, and coastal, marine, and freshwater resources.



PREVENTING OZONE DEPLETION

Ozone-depleting substances (ODS) damage the earth's natural layer of protection from ultraviolet sunlight. Exposure to this type of radiation is associated with cancer and eye maladies, such as cataracts. It also harms wildlife and aquatic ecosystems.

Since 1992, the GEF has been approving grants and assistance to countries—such as the Russian Federation and the nations of Eastern Europe and Central Asia—that are not eligible for assistance from the Multilateral Fund for the Montreal Protocol. Success with reducing ODS has been dramatic. In the 14 countries with the most GEF projects, ODS consumption has decreased by more than 90 percent. In Russia, which was one of the largest producers and consumers of ozone-depleting substances, ODS production was discontinued in 2002 as a result of the GEF's activities.

SAFEGUARDING INTERNATIONAL WATERS

The world's marine and freshwater resources are under enormous stress, threatening the future of the



ecosystems, people, and economic development that depend on them. Transboundary waters, coastal and marine areas, lakes, wetlands, coral reefs and other water resources are being degraded by pollution from land-based activities, poor management practices (such as land conversion and dredging), the introduction of non-native species, overfishing, and other exploitation.

The GEF works with 139 countries on projects to strengthen the integrated management of land and water resources that are so vital to keeping international waters healthy. It has committed to investing more than \$1 billion by 2007 to address critical water problems.

ELIMINATING PERSISTENT ORGANIC POLLUTANTS

Persistent organic pollutants (POPs) pose a global threat. They are particularly dangerous to developing countries, which often lack the technical or financial means to introduce alternative technologies to reduce their use or dispose of them safely. These toxic chemicals can resist degradation and travel easily through air currents, water, and migratory species. Examples of POPs include polychlorinated



biphenyls—industrial chemicals widely used in electrical transformers—and the insecticide mirex, which many countries rely on for termite control. These pollutants and other POPs have been linked to cancer and other health threats.

As the interim financial mechanism for the Stockholm Convention on Persistent Organic Pollutants, the GEF is assisting more than 100 countries with national implementation plans. These countries are building their national capacity to handle POPs and raising awareness of the problem. Through GEF-supported activities, they are preparing for the phase-out and elimination of POPs and the switch to sustainable alternative chemicals, technologies, and practices.

PREVENTING LAND DEGRADATION

Around the world, land degradation, especially desertification and deforestation, is reaching alarming levels. Each year 12 million hectares are lost through desertification—that is enough land to grow 20 million tons of grain. In the tropics alone, deforestation claims 15.2 million hectares of forests annually. Both desertification and deforestation have triggered large-scale population movements, disrupted economic development prospects, aggravated regional conflicts and instability, and threatened the lives and livelihoods of people living under its shadow.

The GEF is increasing its work on land degradation by building on current activities as well as on the experience and lessons of its partners. The GEF's land degradation strategy recognizes that land and water resources are key to sustainable development in the world's dry areas. Over the next three years, GEF expects to commit more than \$500 million to improve sustainable land management. This is the largest financial commitment to the Convention to Combat Desertification since its adoption.

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“The willingness of the GEF to serve as a financial mechanism for the Convention to Combat Desertification, as well as the GEF Assembly’s decision to make land degradation a separate GEF focus area, are significant breakthroughs.”

Kofi Annan
U.N. Secretary-General

THE GEF GRANT PROCESS

THE GEF GRANT PROCESS STARTS WITH AN IDEA.

A local nongovernmental organization, a private company, a government agency, a national institution, or others in a developing country have an idea on how to help achieve national and strategic priorities—for example, an innovative way to bring renewable energy to a rural area that has no electricity.

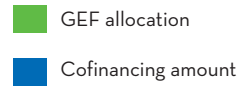
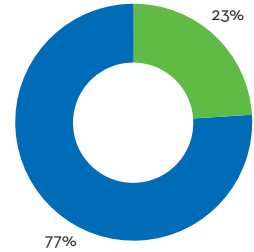
The GEF funds projects that will improve the global environment and promote sustainable development. It provides small grants and finances medium-sized and full-sized projects. In addition, the GEF funds enabling activities—that is, activities to help countries prepare national strategies and action plans to fulfill their obligations to global environmental conventions.

Groups seeking GEF funding work through UNDP, UNEP, or the World Bank— GEF’s Implementing Agencies. Groups can also contact GEF’s Executing Agencies: the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), the U.N. Food and Agriculture Organization (FAO), the U.N. Industrial Development Organization (UNIDO), and the International Fund for Agricultural Development (IFAD).

To date, the GEF has disbursed more than 4,000 small grants directly to NGOs and community groups. Local UNDP offices are responsible for dispersing small grants, up to \$50,000, for projects that reconcile global environmental benefits with sustainable livelihoods for local people. For

THE LEVERAGING EFFECT OF GEF SUPPORT

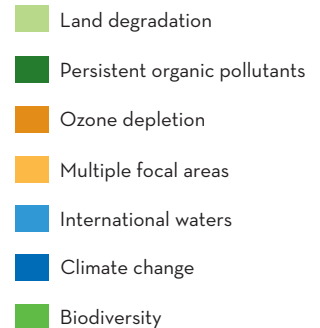
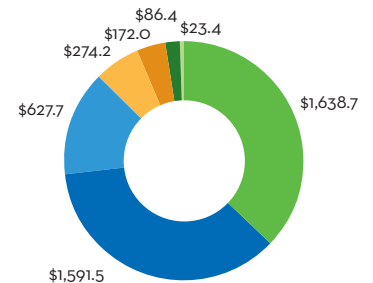
1991-2003



TOTAL GEF ALLOCATION BY FOCAL AREA

(IN MILLIONS OF DOLLARS)

1991-2003





example, thanks to a GEF small grant supporting local community management of the Khama Rhino Sanctuary, the population of white rhinoceros in Botswana has doubled.

Medium-sized grants, which are for projects up to \$1 million and are accessible to NGOs, and full-sized grants, which start at a \$1 million, go through a more formal process. Because of their complexities, full-sized projects can require more time than medium-sized projects to move from idea to implementation.

GEF CRITERIA INCLUDE THE FOLLOWING:

- **COUNTRY DRIVENNESS:** The project needs to reflect the national priorities of the country involved. Any medium or full-sized project to be supported by the GEF needs approval of the country's government. The project proposal should be endorsed by the GEF's primary contact person or "operational focal point" in the country.



- **PROJECT DESIGN/INCREMENTALITY:** The project proposal needs to explain what the problem is, what happens if the project is not carried out, what the project will accomplish with GEF involvement, and what benefits the project will bring to the local, national, regional, and global environment.
- **REPLICATION:** Experience gained through the project must be transferable to other projects and other countries.

The GEF offers initial project preparation grants of up to \$25,000. After preliminary approval of the initial proposal, further funding to flesh out details of project design and operation is also available—up to \$350,000 for a single-country project, \$700,000 for multiple-country projects, and as much as \$1 million for technical design and feasibility work for large-scale projects.

FAST FACTS ABOUT GEF

- In 12 years, GEF has evolved from a pilot program to the largest single source of funding for the global environment.
- GEF is the designated financial mechanism for the international conventions on biodiversity, climate change, persistent organic pollutants, and desertification.
- GEF's \$18 billion portfolio supports more than 1,300 projects in 140 developing countries and countries with economies in transition. GEF has also provided more than 4,000 small grants directly to community groups and NGOs.
- Every \$1 invested by GEF leverages \$3 in cofinancing from partners.
- GEF membership has grown from less than 30 member countries to 176.
- UNDP, UNEP, and the World Bank are the Implementing Agencies for GEF projects. Seven Executing Agencies, including regional development banks and specialized U.N. agencies, also manage GEF projects.
- The GEF is an independent financial entity.
- Representatives from all GEF member-states provide overall direction to the GEF through the GEF Assembly, which meets every four years.
- GEF's governing council develops, adopts, and evaluates GEF programs and policies; its 32 members represent 16 developing countries, 14 developed countries, and 2 countries with transitional economies.
- An independent Scientific and Technical Advisory Panel reviews GEF project proposals and provides expert advice. An independent Monitoring and Evaluation Unit assesses the impact of the GEF's work.
- More than 700 NGOs actively participate in GEF activities and oversee GEF projects.

A SAMPLE OF GEF'S IMPACT

- In Eastern Europe, Central Asia, and Russia, countries have cut their use of chemicals that deplete the ozone layer by 90 percent.
- Projects in the humid tropics, Brazilian Amazon, Guyana Shield, Caucasus, and Himalayas collectively work to conserve the largest remaining tracts of tropical rainforests, home to millions of species.
- GEF projects have contributed to the global market for solar home systems, which now totals more than 1 million rural households. In India, wind power generation capacity increased from zero to over 1200 megawatts—enough to power more than 5 million typical homes.
- A large-scale effort by GEF and partners is eliminating stockpiles of obsolete pesticides, including persistent organic pollutants, which present a serious health threat in African countries.
- From the Nile Valley to the Black Sea, countries sharing the world's great watersheds are making joint investments in water quality and quantity.
- GEF funding to restore degraded wetlands in Romania has resulted in the removal of an estimated 55 tons of phosphorus, 1200 tons of nitrogen, and 40,000 tons of sediment from the Danube River before it enters the Black Sea.
- About 70 percent of all external funds for World Heritage Sites designated by UNESCO are supplied through GEF.
- Five million energy efficient lights have been installed through GEF projects. In Poland, the number of households using compact fluorescent lighting increased from 11 percent to 20 percent.
- The countries of Southern Mexico and Central America are helping restore the MesoAmerican Biological Corridor through a GEF-supported project which combines nature conservation with improving people's standard of living.
- GEF's allocation of more than \$500 million to prevent and control land degradation over the next three years is the largest financial commitment to the Convention to Combat Desertification since its adoption.



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