



GEF, Biodiversity Finance, and Resource Mobilization in a Rapidly Changing World

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# What is the Global Environment Facility (GEF):

*The GEF is the world's leading public financial fund investing in the joint management, care, and restoration of our planet.*

## 1- Financial Mechanism of the Multilateral Environmental Agreements



## 2- Global Partnership

183 countries



### 18 Implementing Agencies



+ Private sector, Academic institutions...

## 3- Important track record of investments

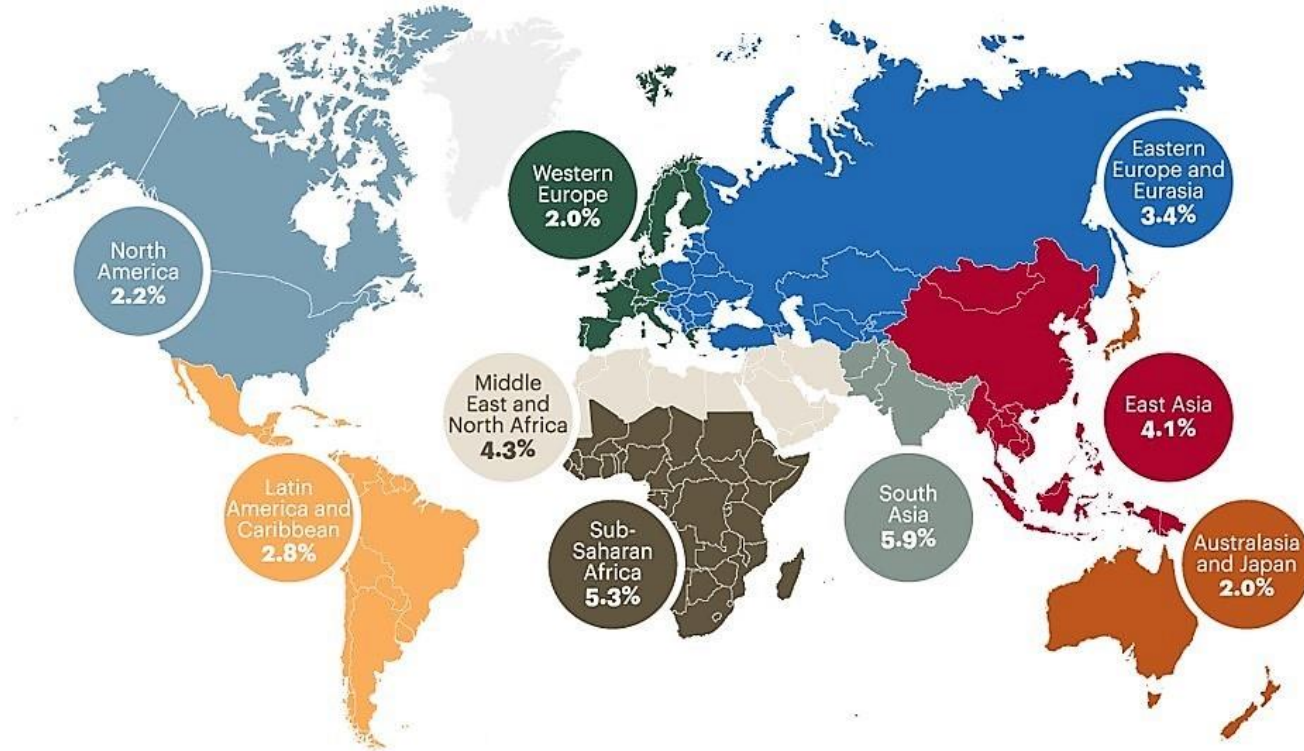
- GEF created in 1991
- Over \$18 billion in grants + \$94 billion in co-financing
- **\$4.8 billion biodiversity**
- More than 4500 projects in 163 countries.



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## Real GDP growth

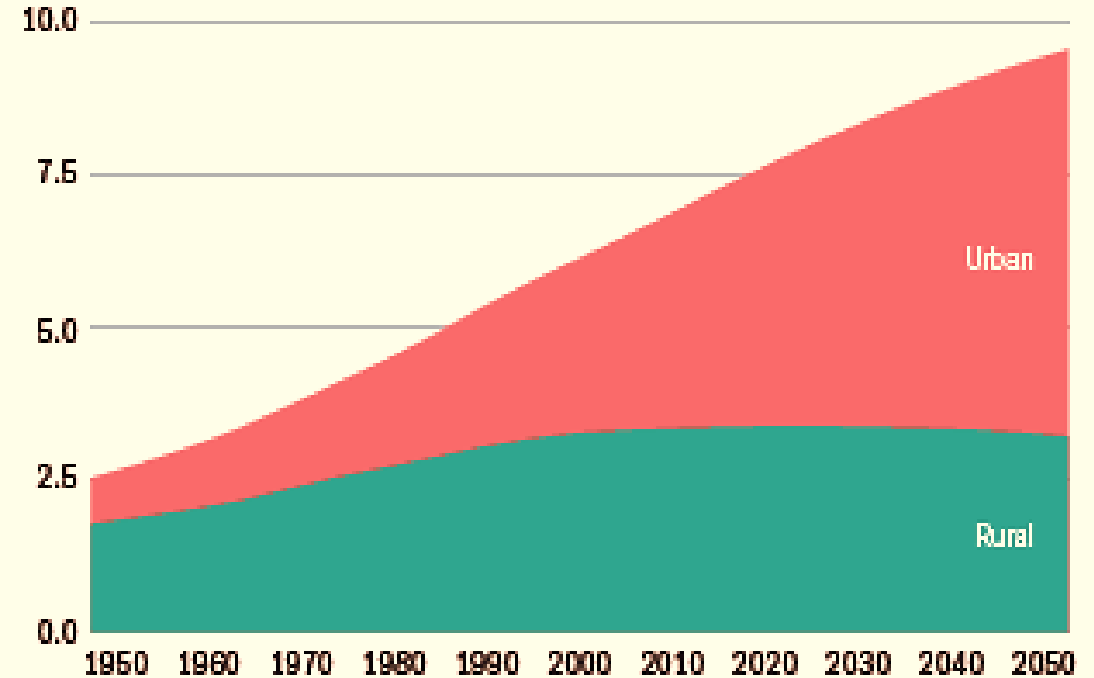
%, 2016–2020 annual average



Notes: GDP figures are the unweighted average of the forecast annual growth rates of the economies within each region between 2016 and 2020. GDP growth is measured at constant prices.

Sources: International Monetary Fund World Economic Outlook (October 2015 and January 2016); A.T. Kearney analysis

## World population (billions)



Source: United Nations Population Division, 2014, *World Urbanization Prospects: The 2014 Revision*, New York.

# Socioeconomic megatrends:

by 2030 8.5bn people, 60 per cent in cities, 5bn middle class consumers

75% of GHG emissions

24% from renewables in 2014



3bn people still rely on wood, coal, charcoal or animal waste for cooking and heating, and 1.1bn lack access to electricity

Energy

75% of GHG emissions

Outdoor air pollution responsible for 2.9 million deaths per year – about one every ten seconds

6 of the 10 countries with the highest urban growth rates in 2013 were in Sub-Saharan Africa

Cities



# Food and agriculture



# Finance Needs

The High-Level Panel on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020, based on the 20 Aichi Biodiversity Targets, estimated the global financing needs for achieving the CBD Strategic Plan at between **US\$ 150-440 billion per year by 2020.**



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Whither GEF-7 (2018-2022) Programming Strategy?



# GEF-7 response:

- **Impact Programs:**

- Food Systems, Land-use, Restoration (FOLUR)
- Sustainable Cities
- Sustainable Forest Management (SFM)

Carefully targeted, catalytic investments contribute towards...

...collective efforts to transform key social and economic systems that put the planet at risk,

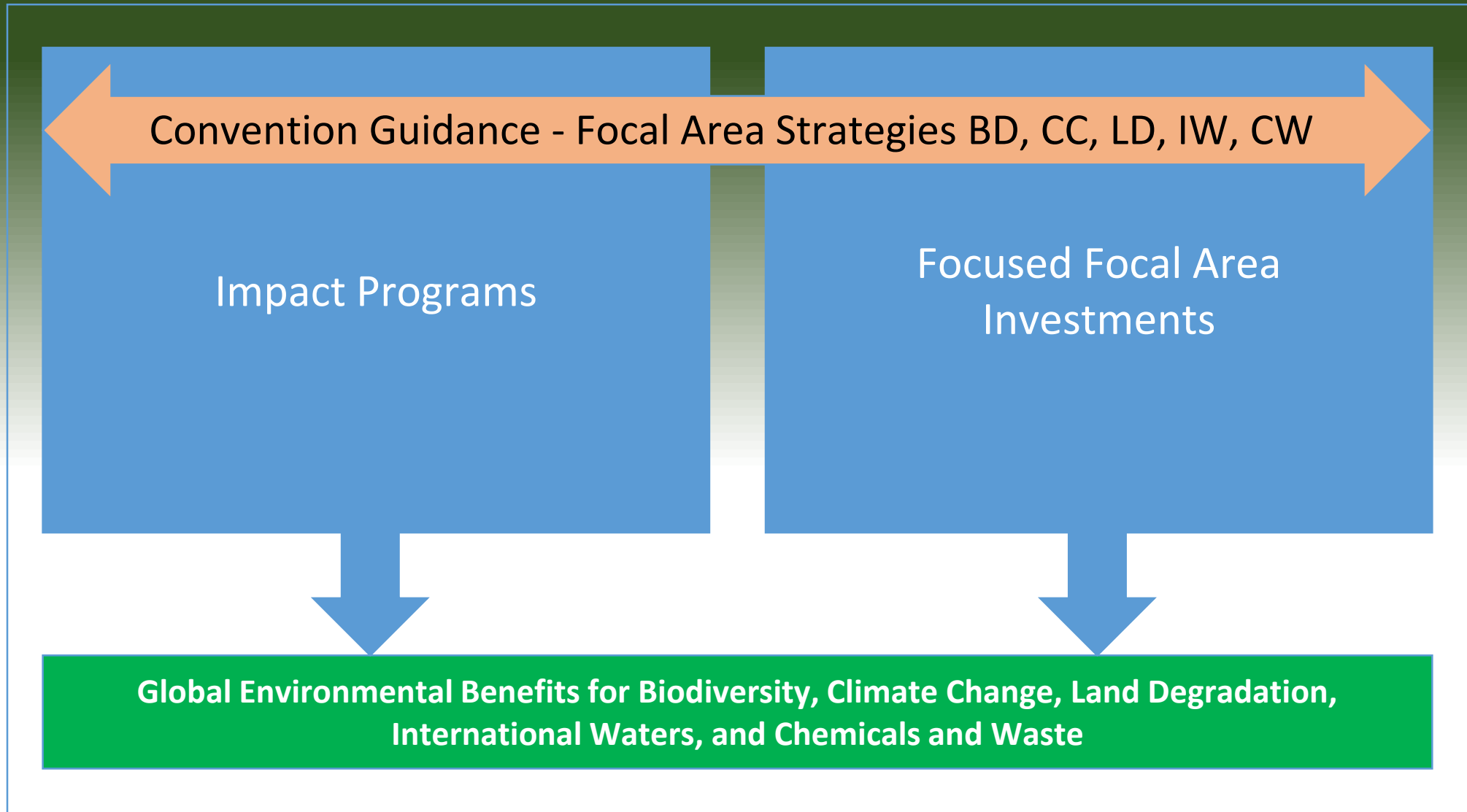
- food
- urban
- energy

- multiple, global environmental benefits:
  - biodiversity
  - land
  - climate change
  - chemicals & waste

thereby maximizing the GEF's positive impact

# GEF-7 Programming Framework

## Focused and Complementary Approach



Resource mobilization: creative and innovative ways to increase resource flows as the financial mechanism of the CBD

### Leveraging GEF Support

- Impact Programs: Improve the value of each dollar spent through more strategic and integrated investments that address drivers of BD loss
- Impact Programs = financial incentives-> 2:1, leverages more \$ for biodiversity—FOLUR and SFM
- BD Focal area strategy = BD mainstreaming including natural capital assessment and accounting

## Resource Mobilization: Working with the private sector

- The pace of environmental degradation is accelerating and requires new approaches
- The private sector is responsible for 80% of all economic activity and is increasingly dependent on scarce natural resources
- The private sector has the capacity to rapidly innovate and deploy sustainable solutions
- Public-private partnerships can address non-market barriers and reduce risk to foster sustainability



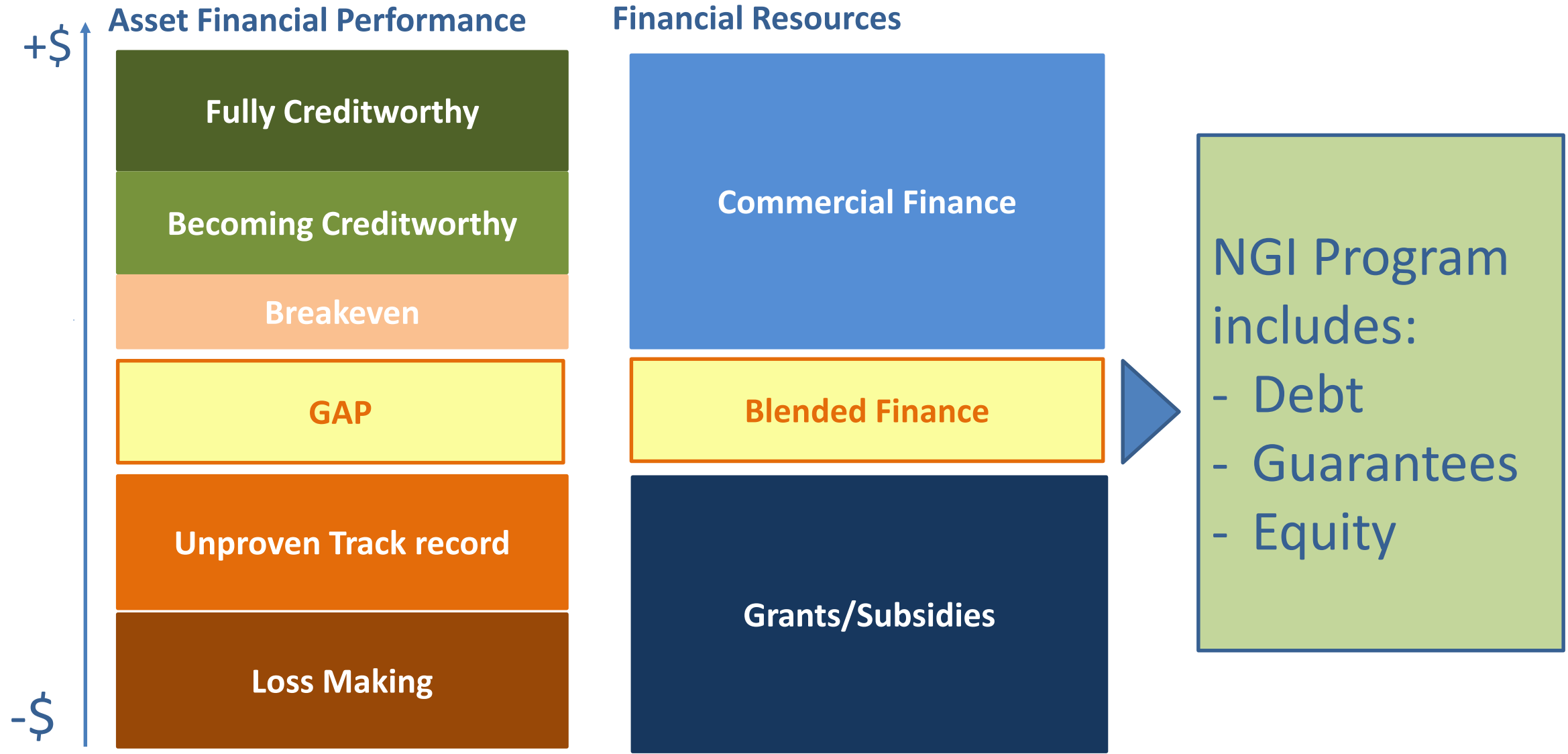
## Leveraging private sector

- Impact Program implementation supported by multi-stakeholder platforms and partnerships of public and private sector at national and international levels, including financial intermediaries.
- Value chains as an entry point for leveraging transformation

## Leveraging private sector

- Non-grant instrument expanded in GEF-7: through debt, equity, or risk guarantees designed to pursue innovative blended finance to catalyze private sector investment in natural resources management.

# GEF's Non Grant Instruments for Blended Finance



## GEF-7 Blended Finance Focus

In **GEF-7**, the NGI Program expands the use of non-grant instruments to catalyze investments from private sector and capital markets. The focus is on:

1. Scalability: financial structures or investment platforms aimed at scaling-up for greater impact including appropriate levels of co-financing;
2. Sound financial terms;
3. Innovation.



Thank you.

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# Coalition for Private Investment in Conservation: NGI Case

Innovative partnership launched at 2016 IUCN World Conservation Congress and with **more than 100 coalition partners**: public and private financial agencies, philanthropic, conservation organisms to deliver a set of **innovative private sector deals**.



# CPIC: Finance Structure

