



GEF as a Financing Platform for Forestry Projects

Background Information



GEF is built around a core partnership between developed and developing countries;

It serves as the financial mechanism of UNFCCC, CBD and Stockholm Convention on POPs; provides financing to UNCCD and supports the MP on ODSs as they relate to GEF Focal Areas (FAs);

GEF operations must conform to national priorities and country strategies as well as activities consistent with guidance from conventions it serves- GEF catalyzes innovative approaches for investment, technical assistance and scientific assessment to generate global environmental benefits (GEB) in the context of national sustainable strategies.

GEF's Fifth Replenishment (GEF-5)



Every 4 years donor nations fund the GEF and commit money through a process called “Replenishment”;

Since 1994, over 4 replenishment and a pilot phase GEF has raised \$ 10 billion over 15 years, leveraging \$ 40 billion;

The fifth replenishment (GEF-5) will cover GEF operations and activities for 4 years from July 2010 to June 2014;

On 12 May 2010, participants tentatively agreed on an overall replenishment of US \$ 4.248 billion (\$ 3.49 billion in new funding)- this represents a 52 % increase over GEF-4 and is considered an excellent outcome;

GEF-5, continued



However, demand for resources to meaningfully tackle global environmental problems is estimated at 100s of billions and far exceeds supply in today's financial climate – Examples:

- UNFCCC estimates \$ 200 billion is annually required for new low emission technologies by 2030 as **additional investment** if emissions to be reduced by 25 % of 1990 level;
- EGTT estimates the need for development & implementation of **new technologies** beyond 2020 at \$ 300 bn - 1 trillion/year;
- Estimate for reversal of rapid degradation of natural resources and conserving of ecosystem services run as high as \$ 50 bn annually;

GEF-5 Reforms



During GEF-4, GEF implemented a number of key reforms, including the design and implementation of a resource allocation framework to direct funds under a more objective set of criteria and to put countries in the lead in setting programming priorities;

RAF in GEF-4 is replaced in GEF-5 with a more ***Transparent System for Allocation of Resources*** (STAR) applied to LD, BD and CC FAs;

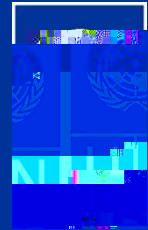
Under STAR, allocations for Iran stand at :

CC: \$ 18.69 million

BD: \$ 6.33 million

LD: \$ 3.75 million (i.e. total of \$ 28.77 million)

Focal Area (FA) Strategies



FA strategies cover BD, CC mitigation, IW, LD and Chemicals (POPs and ODS) and build on work by TAGs established by the CEO and on feedback from GEF agencies and other stakeholders. A strategy is also presented for the x-cutting theme of sustainable forest management (SFM);

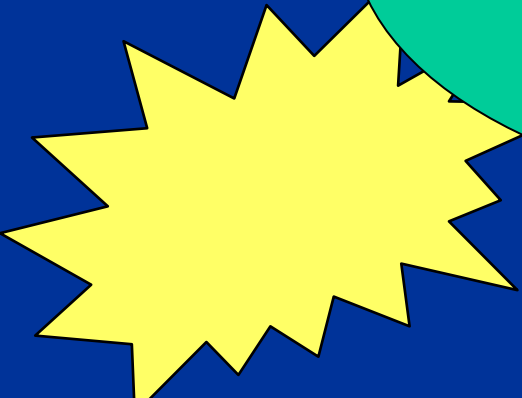
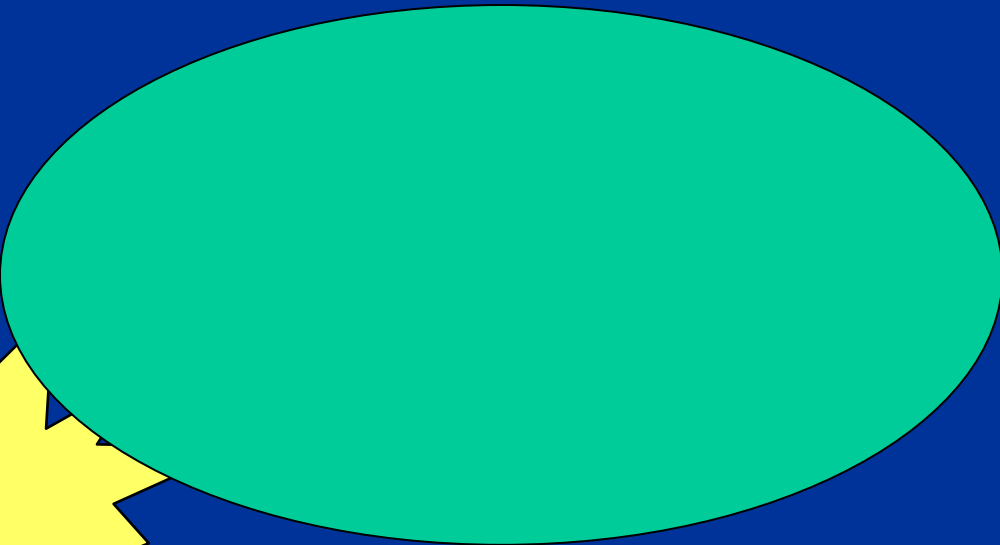
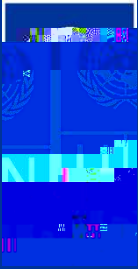
FA strategies are presented in the context of a RBM framework that include indicators and targets. These can be aggregated to the portfolio level in support of GEF strategic goals;

GEF Strategic Goals → Focal Area Goals → GEF Focal Area Objectives → Project Objectives;

Project Eligibility Criteria



- A strong baseline that demonstrates a significant foundation on which to add global benefits through the incremental principle;
- Demonstrating impacts in global benefits (e.g. reduction of GHG emissions);
- Leveraging additional investments from other sources;
- Delivering legislative and regulatory policies approved for implementation in the project time-frame;
- Developed with sensitivity to national needs;
- Take account of agencies comparative advantages.



Focal Area (FA) Strategies Relevant to SFM



Most relevant FAs to forest conservation: BD, CC and LD;

GEF's SFM / REDD+ and LULUCF strategies support transversal strategies in different FAs and aim to secure multiple environmental benefits, particularly those related to protection and sustainable use of biodiversity, CC mitigation and adaptation and combating LD;

In countries experiencing large GHG emissions from

GEF involvement with Forest Conservation at a Glance



Since its inception in 1991, GEF has financed over 300 projects and programs focusing on forest conservation and management in developing countries;

Total GEF allocation to forest initiatives during this period amounts to > \$1.6 billion, leveraging \$5 billion from other sources;

Until 2006, GEF supported forest projects drawing from the focal areas of biodiversity and land degradation;

In response to the growing international recognition of the role of forests in delivering global benefits across a variety of themes, in 2007 the GEF Council approved the broadening of the GEF's efforts in the field of sustainable forest management.

Background on SFM and REDD+ Financing



GEF is actively cooperating with the UNFF on a range of fronts. For example, in its 2009 resolution on forest financing, the UNFF invited the GEF Council to consider the option to strengthen support for SFM and establish a separate programme on forests....;

Adopting the framework of the UNFF, the GEF considers sustainable forest management *a dynamic and evolving concept that aims to maintain and enhance the economic, social and environmental value of all types of forests, for the benefit of present and future generations;*

Through its pilot SFM Program in GEF-4 (2007–2010), the GEF took action in the REDD+ and LULUCF arenas by providing resources for pilot projects focusing on cross-sectoral coop.

Background on SFM and REDD+ Financing





Funding Eligibility for Forest projects in GEF-5



establishing innovative financing mechanisms and piloting projects to reduce emissions from deforestation and forest