



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

www.theGEF.org

Implementing the 2030 Agenda for Sustainable Development

The Need for Transformational Change

The Sustainable Development Goals (SDGs)

- The SDGs takes a holistic, integrated view on development and poverty reduction.
- The SDGs explicitly recognize that the health of the planet is critical for the sustainability of long-term economic and social development.



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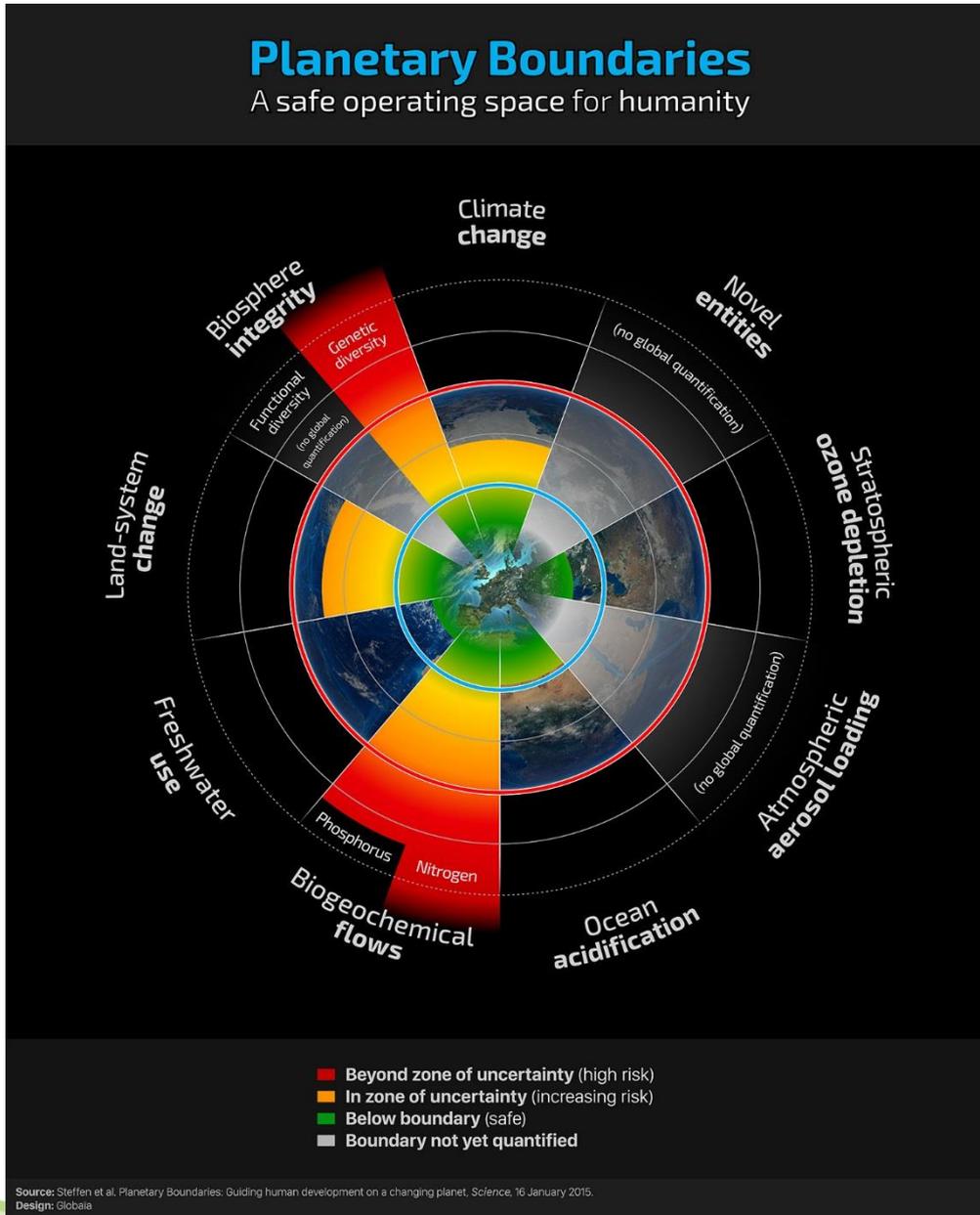
Continued environmental degradation is putting long-term economic and social development at risk:

- “Climate change threatens global financial stability and prosperity.” - Mark Carney, Governor, Bank of England
- “So we need growth, but we also need green growth that respects environmental sustainability.” - Christine Lagarde, IMF Chief
- “Harm done to the Planet is harm done to humanity” – Pope Francis



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Planetary Boundaries are real



Source: Azote
Images/Stockholm
Resilience Centre



GEF and the SDGs



The GEF and the SDGs



Achieving the Transformation: Focus on Three Key Systems of the Economy:

- Cities (How we live)
- Food Production (How we eat)
- Energy (How we get things done—move, produce, etc.)



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Why Cities?

- By 2050, more than 2 billion additional people will be living in cities, a 50% increase from today.
- equivalent to adding an urban population each month the size of Washington, DC.
- Cities produce 80% of the world's gross domestic product.
- They consume two thirds of the world's energy
- Account for over 70% of global greenhouse gas (GHG) emissions.

Compact, resilient, inclusive and resource-efficient cities can become drivers of sustainable development and economic growth, contributing to both local livability and global public goods.



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Opportunities for Transforming Cities

- Strengthen strategic planning, including for improved land use and integrated multi-modal transport infrastructure;
- Develop a more efficient urban development model, which is compact, with high quality public transport systems;
- Provide greater fiscal autonomy and support cities with innovative financing options.



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GEF's Work on Sustainable Cities

- GEF has launched a Sustainable Cities initiative to promote sustainable urban development
 - It involves 11 major cities across the world; GEF is providing \$152 million (for pilot phase), which has attracted \$1.5 billion in co-financing; building a global knowledge platform
- GEF is supporting BRT systems in several major cities to improve the transportation system, air quality and public safety
 - GEF provided \$7.35 million which has leveraged an additional \$260 million from the Government and the Inter-American Development Bank



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Why Food Production?

- Global food production must increase by 70% by 2050 to feed a rapidly growing—and more affluent—population.
- Agriculture accounts for approximately 24% of global greenhouse gas emissions.
- Agriculture accounts for 70 % of all freshwater withdrawals (note that 280 watersheds are shared among two or more countries, making multi-country cooperation essential..)
- Three global commodities (palm, soy and beef) are responsible for 80% of all tropical deforestation.



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Opportunities for Transforming Land Use and Food Systems

- Greater investment in agricultural research to increase productivity and resilience;
- Reduction of input subsidies, mainly for fertilizer, water and biofuels that involve food crops;
- Restoration of degraded landscapes and promotion of sustainable land management practices;
- Reduce post-harvest losses and waste;
- Improve farm-to-market transportation infrastructure.



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GEF's Work on Land Use and Food Security Systems

- Two recent flagship programs:
- Improve food security in Sub-Saharan Africa. Covering 12 countries; GEF has been able to mobilize \$900 million from a variety of sources to support this initiative
- Taking deforestation out of global commodity supply chains; a supply-chain approach to palm, soy and beef



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Opportunities for Transforming Energy Systems

- Put a price on carbon; phase out of fossil fuel subsidies;
- Improve energy efficiency in buildings, appliances, etc.;
- Increase investment in low-carbon energy infrastructure;
- Develop investment vehicles to finance low-carbon infrastructure;
- Develop and deploy low carbon technological innovations.



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GEF's Work on Energy Systems

- ❖ GEF is helping develop innovative financial instruments to promote energy efficiency and renewable energy
- Interventions that **reduce perceived (or real) project risks**:
 - Africa Renewable Energy Fund: \$25 million from GEF leveraged \$500 million from the AfDB, Denmark and the private sector (including the Danish pension fund)
- Interventions that help **aggregation**:
 - GEF/World Bank have launched the International Lighting Efficiency Facility (iLEF) to support a new financing facility for energy efficient lighting and equipment for cities. The \$12 million from the GEF is expected to leverage \$50 million from the private sector.



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GEF's Work on Energy Systems (continued)

- Interventions that **build local capacity**:
 - GEF/IFC launched the **China Utility-Based Energy Efficiency Finance Program (CHUEE) in 2006**: CHUEE has enabled banks, utility companies, government agencies, and suppliers of energy efficiency equipment and services to collaborate in creating a sustainable financing model to develop energy efficiency and renewable energy projects.



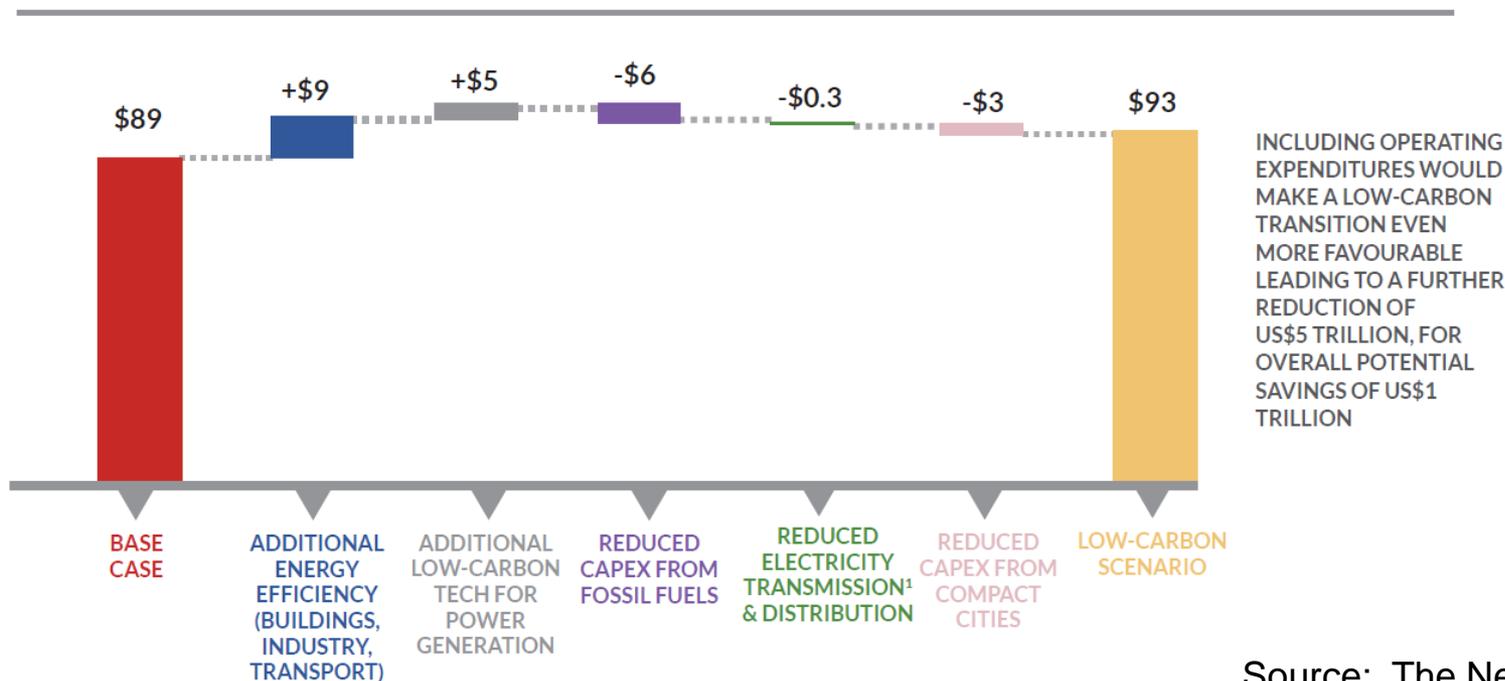
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Financing the Transition: Public Policy and Grant Funding Must Catalyze Reallocation of capital

Capital requirements of a high- and a low-carbon scenario.

GLOBAL INVESTMENT REQUIREMENTS, 2015 TO 2030,
US\$ TRILLION, CONSTANT 2010 DOLLARS

Indicative figures only
High rates of uncertainty



Source: The New Climate Economy Synthesis Report



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Catalyzing, Mobilizing and Crowding in Domestic Financing

- Create the enabling environment for domestic public and private resource mobilization
 - Develop fair, efficient and transparent tax systems;
 - Strengthen financial governance and public financial management;
 - Internalize externalities and mainstream environmental sustainability;
 - Develop financial markets for long-term investment.



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Catalyzing, Mobilizing and Crowding in International Financing

- Mobilize international public financial resources
 - Overseas Development Assistance (ODA) – concessional and non-concessional
 - From the MDBs, special funds like the GEF, bilateral sources, etc.
- Create the enabling environment to mobilize international private financing
 - Foreign Direct Investment (FDI)
 - Portfolio flows
 - Private sector loans (e.g. for public-private partnerships)
 - Remittances (e.g. diaspora bonds)



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Conclusion: Achieving the SDGs will require..

- major transformation in our key economic systems;
- large-scale redirection of global investment flows, from both public, private and international sources;
- “smart” ODA that catalyzes transformational change
- ... and, perhaps most importantly, the broadest possible coalition of the willing; new multistakeholder approaches, bringing communities, corporations and countries together.



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Thank you



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