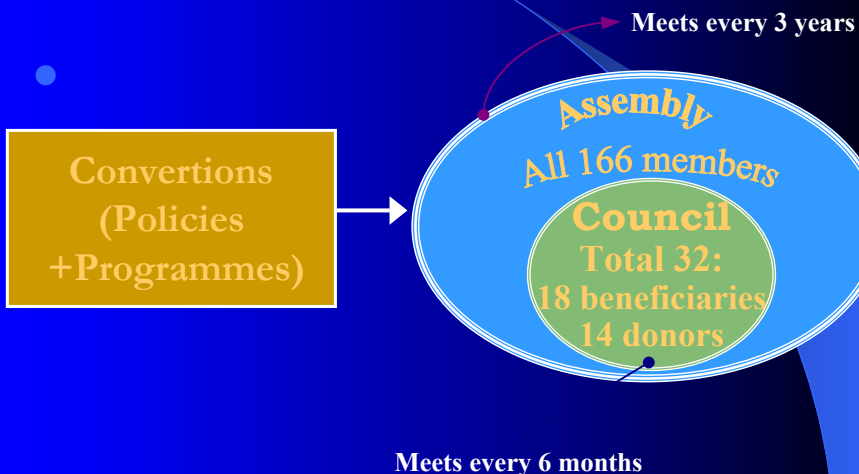


GEF Climate Change Eligibility Criteria

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GEF STRUCTURE



GEF Structure

- GEF Secretariat
- 3 Implementation Agencies (WB, UNEP, UNDP)
- 7 new execution agencies (4 RDBs, IFAD, FAO, UNIDO)
- STAP
- Political and operational focal points within governments.

GEF is the financial mechanisms for

- CBD
- UNFCCC

GEF supports other conventions

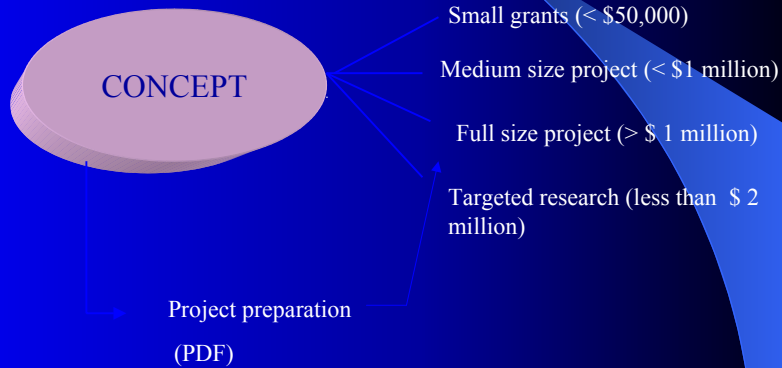
 **International waters**

 **POPs**

 **CCD**

 **Ozone in the CIS**

How GEF finances?



UNDP-GEF

Size of the Portfolio

- ∞ Cumulative value USD 1.2 billion
- ∞ UNDP has 34% of total GEF funds (54% of the total number of projects)
- ∞ 240 Full size or Medium size projects
- ∞ 750 Small Grant projects

GEF and Climate Change

GLOBAL CLIMATE CHANGE

- A. What is the Greenhouse Effect?
 - 1. Natural process making earth habitable
 - 2. Greenhouse gases (GHG's) trap earth's infrared rays
 - 3. What is the problem?
 - Human activities rapidly increase levels of GHG's?
 - Which activities?
 - Burning fossil fuels
 - burning grasses, forests
 - cutting down forests, grasses
 - decomposing biomass matter
 - Global warming is taking place at a rapid pace, unprecedented in geological history

GLOBAL CLIMATE CHANGE

- **B. What are implications of accelerated climate change?**
 - Global warming (between 1.4 and 5.8 C over next 100 years)
 - ice-cap melting
 - sea-level rise (between 9 and 88cm)
 - increased intensity of storms in some areas
 - increased drought in others

GLOBAL CLIMATE CHANGE

- **C. What can be done about it?**
 - Reduce emission and level of GHG's in atmosphere
 - Reduce use of fossil fuels
 - Use fossil fuels more efficiently
 - Reduce burning of grasslands/forests
 - Reduce deforestation, increase and protect forest areas
 - Utilize waste methane (CH₄)

UN FRAMEWORK CONVENTION ON CLIMATE CHANGE

- Begins from scientific premise that global warming is real threat
- Because developed countries bear responsibility for large GHG concentrations, take first initiative to alleviate the problem:
 - Developed countries will stabilize GHG emissions at 1990 levels by 2000
 - Further reductions are envisioned after the year 2000
 - Developed countries will pay “agreed full costs” for developing country participation in Convention
 - Developed countries will pay “agreed full incremental costs” for steps taken by developing countries to reduce GHG emissions or enhance GHG sinks

Operational principles for Climate Change

- Total costs to participate to the Convention
- Incremental costs for mitigation – Barrier Removal activities
- Co financing (Global 2.5 y CC 2.8)
- Sustainability and Replicability
- Emission Reduction

What GEF does not finance

- Total cost for mitigation
- Research and studies
- Change from a renewable fuel to a fossil fuel even if more efficient
- Investment under OP 5 and OP 6

GEF Operational Strategy

- Long-term Operational Programs (5,6, & 7, 11)
- Short-term Window
 - Highest Priority of Countries for Mitigation
 - $UAC < \$10/t$ Carbon
- Enabling Activities
 - To help countries respond to the Convention
 - Preparation of Initial National Communications
 - Full-Cost Activities

Operational Program #6: Promoting the Adoption of Renewable Energy by Removing Barriers and Reducing Implementation Costs

- **Objective:** To remove the barriers to the use of commercial or near-commercial renewable energy technologies; and reduce any additional implementation costs for renewable energy technologies that result from a lack of practical experience, initial low volume markets, or from the dispersed nature of applications.
- **Steps to Formulate a Project under OP#6:**
 - Assess the scope for “win-win” renewable energy projects
 - Estimate the contribution of these projects to GHG emission reductions
 - Identify all key barriers to these renewable energy projects
 - Propose specific measures to remove permanently all identified barriers

Scope of Win-Win Opportunities:

- Off-grid stand-alone PV solar home systems (30-100 W_p)
- Mini-grid village-scale power applications (1-1000 kW)
- Small-scale wind turbines
- Biomass gasifiers
- Small hydropower
- Hybrid PV/wind/diesel systems integrated with battery storage
- Grid-connected large-scale renewable applications (1-800 MW)
- Large-scale wind farms
- Large-scale biomass power generation and co-generation
- Geothermal power
- Methane from urban and industrial wastes
- Renewable energy for heating applications
- District heating from biomass and geothermal
- Renewable energy for productive use in rural areas
- Wind pumps for mechanical water pumping for agriculture and domestic water supply
- Biogas digesters for lighting and water pumping

Projects in LAC Rural Electrification

- 2 MSPs implemented in CA
- 1 FP finalized in Chile
- 3 FP under implementation (Chile, Peru and Bolivia)
- 3 FP approved to start (CREDP, Nicaragua, Ecuador)
- NO RURAL ELECTRIFICATION PROJECTS FOCUSED ONLY ON BIOMASS.. Chile closest.

New strategic Priorities

- Legal and Regulatory framework for the promotion of RE and EE.
- Increase access to local sources of financing.
- Market transformation for big volume equipment
- Productive uses for RE based rural electrification.
- Market aggregation for new technologies.

Productive Uses and Biomass?

- Focus on Productive Uses implies needs assessment.
- This probably means that no technology focus will be possible or justified for these projects.
- Recently joint FAO UNDP concept approved for Brazil is an example.



UNDP / GEF??