

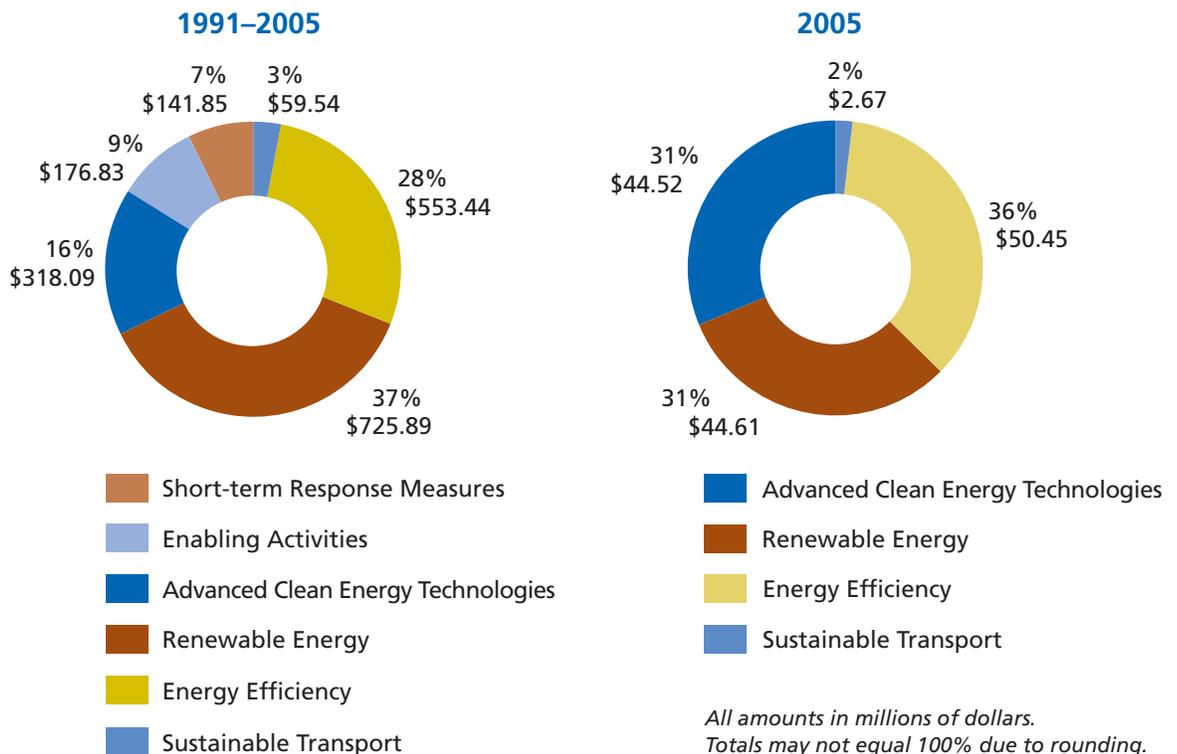
## GEF'S WORK ON GLOBAL CLIMATE CHANGE

As the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the Global Environment Facility (GEF) is helping developing countries expand their use of clean energy and reduce their consumption of fossil fuel. The GEF is the largest funder of renewable energy in the developing world, supporting solar, wind, geothermal, biomass, and small hydropower energy. In 14 years, GEF's clean energy portfolio has grown to more than \$1.9 billion in grants for projects with a total value of nearly \$12 billion.

Since 1991, GEF's work on global climate change has included funding for enabling activities, mitigation activities, and adaptation activities. The bulk of GEF projects seek to reduce greenhouse gas (GHG) emissions, benefit the economy, and help improve local environmental conditions.

The GEF has invested substantial "capital" in transforming markets toward cleaner, low-GHG emitting technologies and promoting a path toward sustainable development. This market

### THE GEF PORTFOLIO INVESTMENTS IN CLIMATE CHANGE



focus has made the GEF increasingly effective in catalyzing private investment, government commitments to programs and policies, rural energy services, and the expansion of technology markets. Because of its credibility and reputation, the GEF has increasingly leveraged more cofinancing, facilitated better investments, and conducted new market transformation programs. The experience has also allowed the GEF to replicate projects from one country to another. Moreover, the range of technologies the GEF supports has grown to encompass fuel cells, solar thermal power plants, efficient motors, and small-scale renewable energy for rural health, education, and income generation.

GEF's current strategy for its climate change projects focuses on removing barriers and building capacity in the areas of policies, financing, technology, business infrastructure, and information. The goal is to create a market atmosphere in which profitable investments in environmentally and socially sustainable technologies receive favorable treatment.

### **ADAPTATION TO CLIMATE CHANGE AND THE SPECIAL FUNDS**

Because of the risks that climate change is already posing to humans and the environment, the GEF has designed its climate programs to help countries adapt to the adverse effects of climate

change. Particularly at risk to climate change 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.

Currently, there are three GEF avenues available to fund projects focusing on the adverse impacts of climate change: the Least Developed Country Fund (LDCF), the Special Climate Change Fund (SCCF), and the Strategic Priority on Adaptation (SPA) under the GEF Trust Fund. Activities supported under the LDCF will address the urgent and immediate adaptation needs of Least Developed Countries. Adaptation efforts under the SCCF address climate change in such key development sectors as water, agriculture, and health. Activities funded under the SPA are expected to generate global benefits.

The Adaptation Fund, which is not yet operational, is a fourth avenue for funding activities addressing the negative impact of climate change. Two percent of the proceeds from Clean Development Mechanism projects are directed to this fund, which will be used to support projects in accordance with guidance from the UNFCCC.

### **FOR MORE INFORMATION**

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