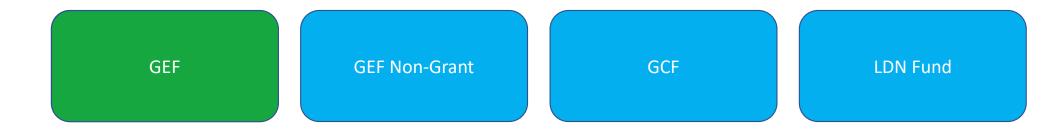
environment programme

Programming for Biodiversity and<br/>Land Degradation Portfolio:<br/>Global Funding OpportunitiesErsin Esen, UNEP17 November 2022

### **Global Funding Opportunities for Biodiversity and Land Degradation**





#### **STAR allocation in GEF-8**

	Biodiversity	Land Degradation	Total Allocation
min	3,000,000	1,000,000	5,000,000
max	82,152,902	7,738,567	103,649,052
avarage	9,913,634	3,170,300	16,639,671
median	4,403,581	2,807,368	10,549,976
Region's share	1%	3%	1%

	Biodiversity	Land Degradation	Total Allocation
Balkan Region	15,000,000	12,295,366	32,665,270
Albania	3,000,000	4,236,727	8,236,727
Bosnia-Herzegovina	3,000,000	1,458,061	5,458,061
Montenegro	3,000,000	2,293,028	6,293,028
North Macedonia	3,000,000	2,737,821	6,737,821
Serbia	3,000,000	1,569,729	5,939,633
Other countries	1,412,563,366	444,227,796	2,363,447,396
Grand Total	1,427,563,366	456,523,162	2,396,112,666



#### **Impact Programming**

### **GEF-8 Integrated Programming**

Pathway to Transformative Change for Blue and Green Recovery

Integrated programs are defined by sharing several of the following characteristics: Integration of actions across sectors; or Integration of resources across GEF focal areas; or Integration across supply chains;
Complement country-level investments with transboundary action and impact at regional or global scales;
Mobilize diverse coalition of stakeholders from relevant sectors for system transformation;
Address drivers of environmental degradation at global or regional scales;
Deliver multiple global environmental benefits;
Promote greater private

sector engagement;

Foster knowledge sharing and learning.





### **GEF7 Impact Program Project Sizes**

Impact Program		Program Size	Average Child	
	Countries		Project size	STAR
Amazon Sustainable Landscapes	9	88,305,273	11,038,159	3,519,725
Program - Phase II				
Food Systems, Land Use and	28	306,439,005	11,349,593	3,519,725
Restoration (FOLUR) Impact Program				
Global Wildlife Program	19	95,688,016	5,316,001	1,234,404
Sustainable Cities Impact Program	10	146,742,453	16,304,717	4,587,156
Sustainable Forest Management	12	95,844,674	8,713,152	3,569,724
Impact Program on Dryland				
Sustainable Landscapes				
The Congo Basin Sustainable	7	57,201,127	9,533,521	3,569,725
Landscapes Impact Program				

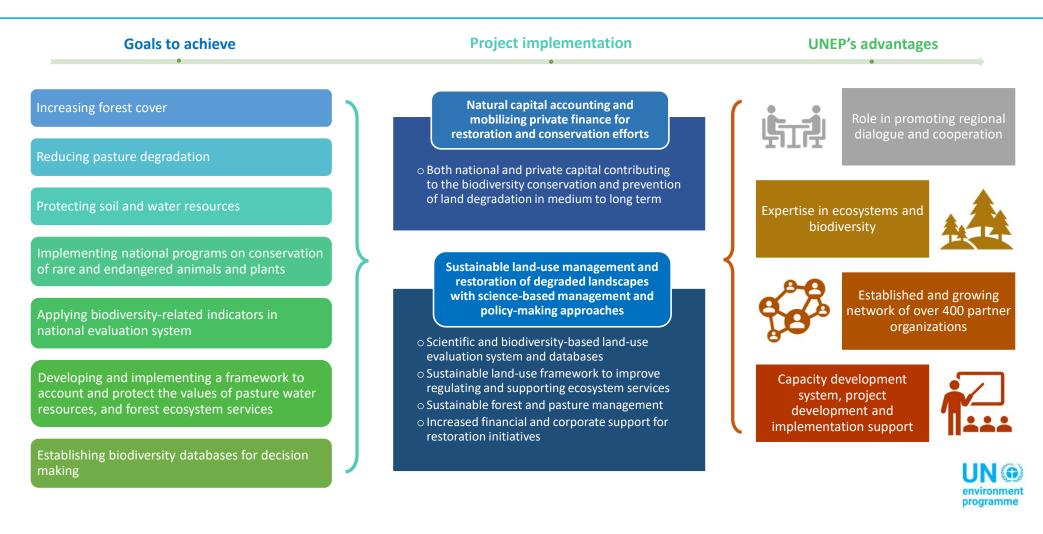


## **GEF 8 Integrated Programs on BD and LD**

Clean and Healthy Ocean Integrated Program	<del>98</del>
Ecosystem Restoration Integrated Program	103
Wildlife Conservation for Development Integrated Program	<del>118</del>
Greening Transportation Infrastructure Development Integrated Program	119
Food Systems Integrated Program	231
Amazon, Congo, and Critical Forest Biomes Integrated Program	<del>313</del>



#### **Goals to achieve & project implementation**



### **Child Project: Greening Transportation Infrastructure Development**

#### **Objective:**

• To support in integrating biodiversity and nature into infrastructure planning processes to develop a pipeline of sustainable and resilient railway and road infrastructure projects.

#### **Rationale:**

- planned investment in railway and road infrastructure
- Substantial economic opportunities, but threats to pristine ecosytems and biodiversity opportunities for NbS
- Building on UNEP's experience in Good Practice Principles for Sustainable Infrastructure

#### **Proposed scope:**

- 1. Capacity support
- 2. Technical assistance
- 3. Knowledge management and sharing





#### A simple truth



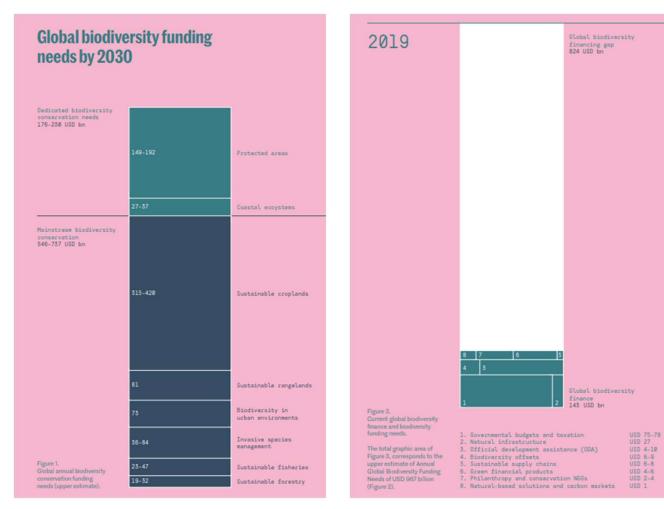
# Global biodiversity funding needs by 2030



Little Red Book of Investing in Nature - Global Canopy - 2021

environment programme

#### Investment in Biodiversity and Land does not match the funding needs



- dominated by public finance, with limited capacity to scale further
- A massive gap that can be filled by unlocking private capital

Little Red Book of Investing in Nature - Global Canopy - 2021



#### **UNEP's solution offer on funding restoration efforts**

Actors	Existing strengths to harness	Desired systemic output	Strategic intervention	
International organisations / NGOs	Engage community early on Provide risk capital No expectation of financial return Work on enabling environment	Identification of eligible business ideas	The Restoration Explorer	
		Validation of commercial viability	The Restoration Factory	
		Business validated through MVP	The Restoration Innovation Fund	
Impact investors	Fundraising Fund management Capital allocation	Fund development	RSCF	
		Clear exit strategies	The Restoration Market Accelerator Program: support the creation of secondary markets (guarantees, securitisation)	
		Increase in amount of investible capital	Alternative Finance for Restoration (crowdfunding)	

Strategies to connect both sides: The Restoration Marketplace



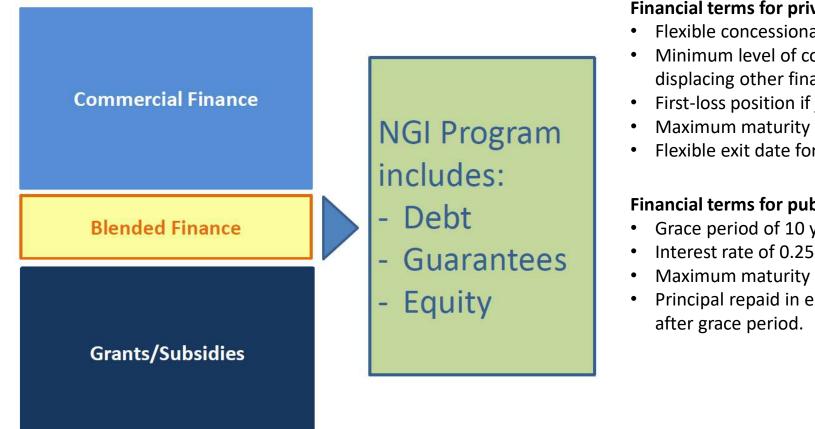
**Ongoing initiatives** 

**New initiatives** 



### **GEF Non-Grant Window**

#### **Financial Resources**



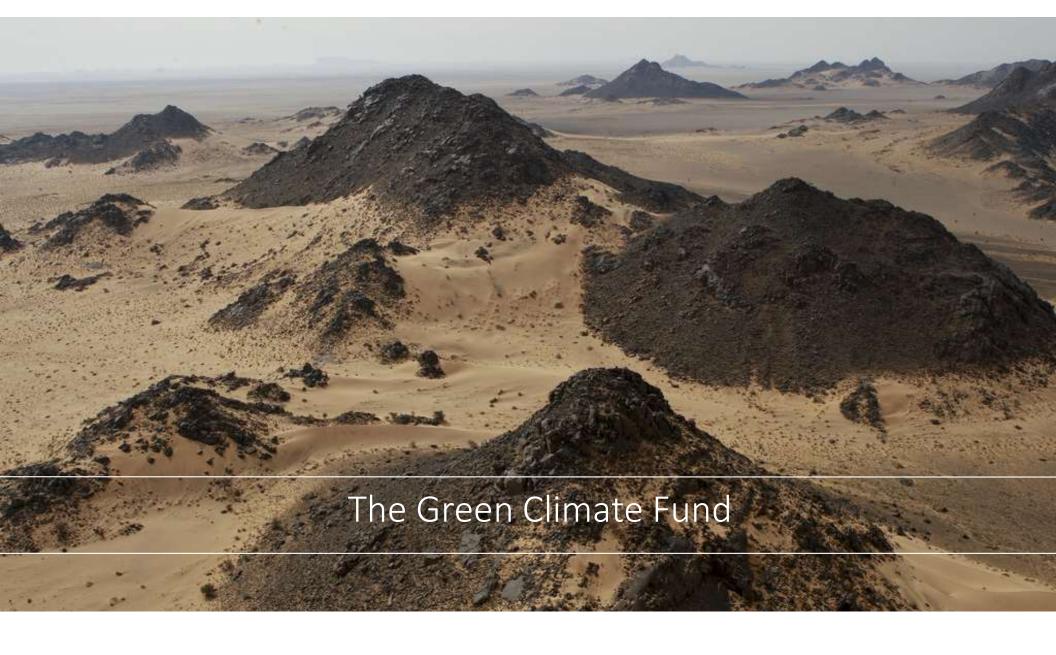
#### Financial terms for private sector:

- Flexible concessional interest rate;
- Minimum level of concessionality to avoid displacing other finance;
- First-loss position if justified;
- Maximum maturity of 20 years;
- Flexible exit date for equity investments

#### Financial terms for public sector:

- Grace period of 10 years;
- Interest rate of 0.25% or 0.75%;
- Maximum maturity of 40 or 20 years;
- Principal repaid in equal annual payments





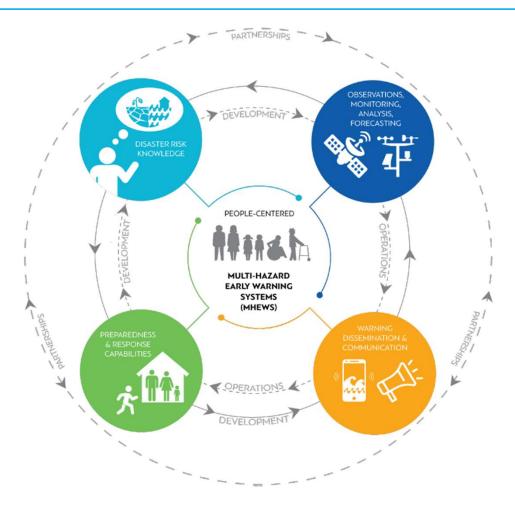
### Purpose of the Green Climate Fund (GCF)

- An operating entity of the Financial Mechanism of the UNFCCC and Paris Agreement
- Contributes to the achievement of the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) and Paris Agreement.
- Promotes the PARADIGM SHIFT towards low carbon and climate resilient DEVELOPMENT PATHWAYS by providing support to developing countries to limit/reduce greenhouse gas emissions and adapt to impacts of climate change, taking into account needs of developing countries PARTICULARLY VULNERABLE
- To finance agreed full and agreed incremental costs for activities to enable and support enhanced action on adaptation, mitigation (including REDDplus), technology development and transfer (including carbon capture and storage), capacity-building and the preparation of national reports by developing countries.

# **GCF strategic impacts**



#### GCF: Key elements of effective, people-centred Multi-Hazard Early Warning Systems (MHEWS)





# The Global Mechanism (GM) and Land Degradation Neutrality Fund (LDNF)

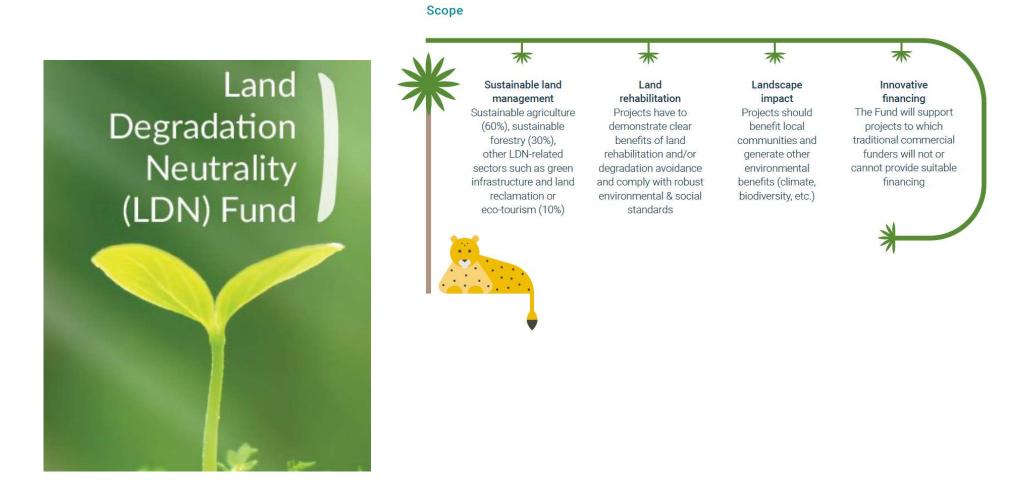
## Mandate of the Global Mechanism (GM)

Established by Article 21 of the UNCCD, "---- to increase the effectiveness and efficiency of existing financial mechanisms, ... and to promote actions leading to the mobilisation and channelling of substantial financial resources, ... to affected developing country parties."

The GM is a subsidiary body of the UNCCD.

- The GM is not a Fund. Its core mandate is to support affected Country Parties to mobilize resources for implementation of the Convention.
- The cross-cutting nature of the UNCCD/SLM implies multi-source financing (e.g. through Integrated Financing Strategies, Partnership Building, Mainstreaming etc)

#### GCF: Key elements of effective, people-centred Multi-Hazard Early Warning Systems (MHEWS)



# Sustainable financing for LDN



- the Land Degradation Neutrality (LDN) Fund invests in profitgenerating sustainable land management and land restoration projects worldwide
- Focuses on direct investment into large-scale land restoration and land degradation avoidance programmes, that integrates smallholders and local communities
- Provides long-term financing (debt/equity) to projects
- The Fund invests in profitable projects with the aim of delivering competitive returns for investors
- The Fund considers projects that can make a significant contribution to LDN







# Thank you



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