

Status of GEF project development for Water Footprint, Neutrality and Efficiency

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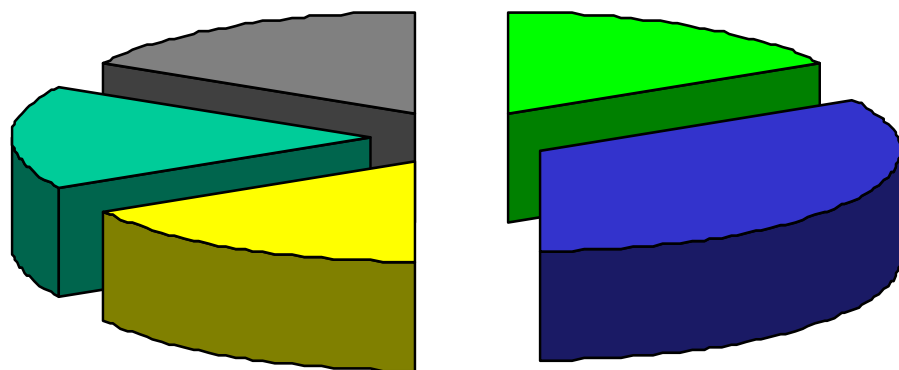
International Environmental Technology Centre



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WAFNE project funding

GEF funding sought
for this project



Total project budget:
Over \$3 million (2009-2012)

■ UNEP \$500,000

■ GEF \$1 million

■ GTZ \$500,000

■ Private sector
\$500,000

■ Government of
Korea \$500,000



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What is GEF?

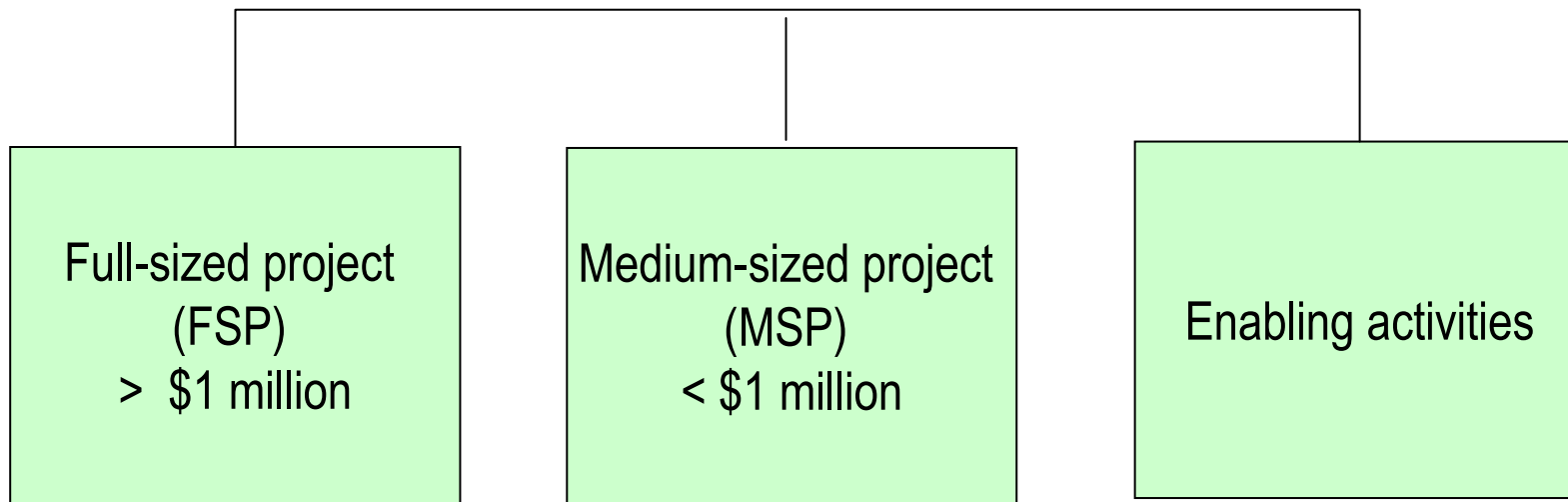
Global Environment Facility: world's largest public environmental fund

- ✓ Independently operated, international financial facility that provides grants for projects related to biodiversity, climate change, international waters, land degradation, ozone layer, and persistent organic pollutants
- ✓ Provides new and additional funding to meet the additional costs of transforming a project with national benefits into one with global environmental benefits
- ✓ 2,400 projects funded in more than 165 developing countries and transition countries over 15 years
- ✓ 181 member governments



What is GEF?

- ✓ Allocated resources of US\$9 billion over 15 years, supplemented by \$39 billion in [co-financing](#)
- ✓ US\$4.25 billion pledged for GEF5 (2010 to 2014)
- ✓ Funding channeled to recipient countries through 10 agencies: UNEP, UNDP, World Bank, FAO, UNIDO, AfDB, ADB, EBRD, IADB, IFAD
- ✓ Financial mechanism for multilateral environmental agreements (MEAs), including CBD, UNFCCC, UNCCD, POPs Convention
- ✓ Project types: see below



GEF Project Criteria

- ✓ It is undertaken in an eligible country or countries
- ✓ It is consistent with national priorities and programs
- ✓ It addresses one or more of the GEF Focal Areas, improving the global environment or advance the prospect of reducing risks to it
- ✓ It is consistent with the GEF operational strategy
- ✓ It seeks GEF financing only for the agreed-on incremental costs on measures to achieve global environmental benefits
- ✓ It involves the public in project design and implementation
- ✓ It is endorsed by the government(s) of the country/ies in which it will be implemented → through GEF Operational Focal Point



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Status and programme focus for GEF support

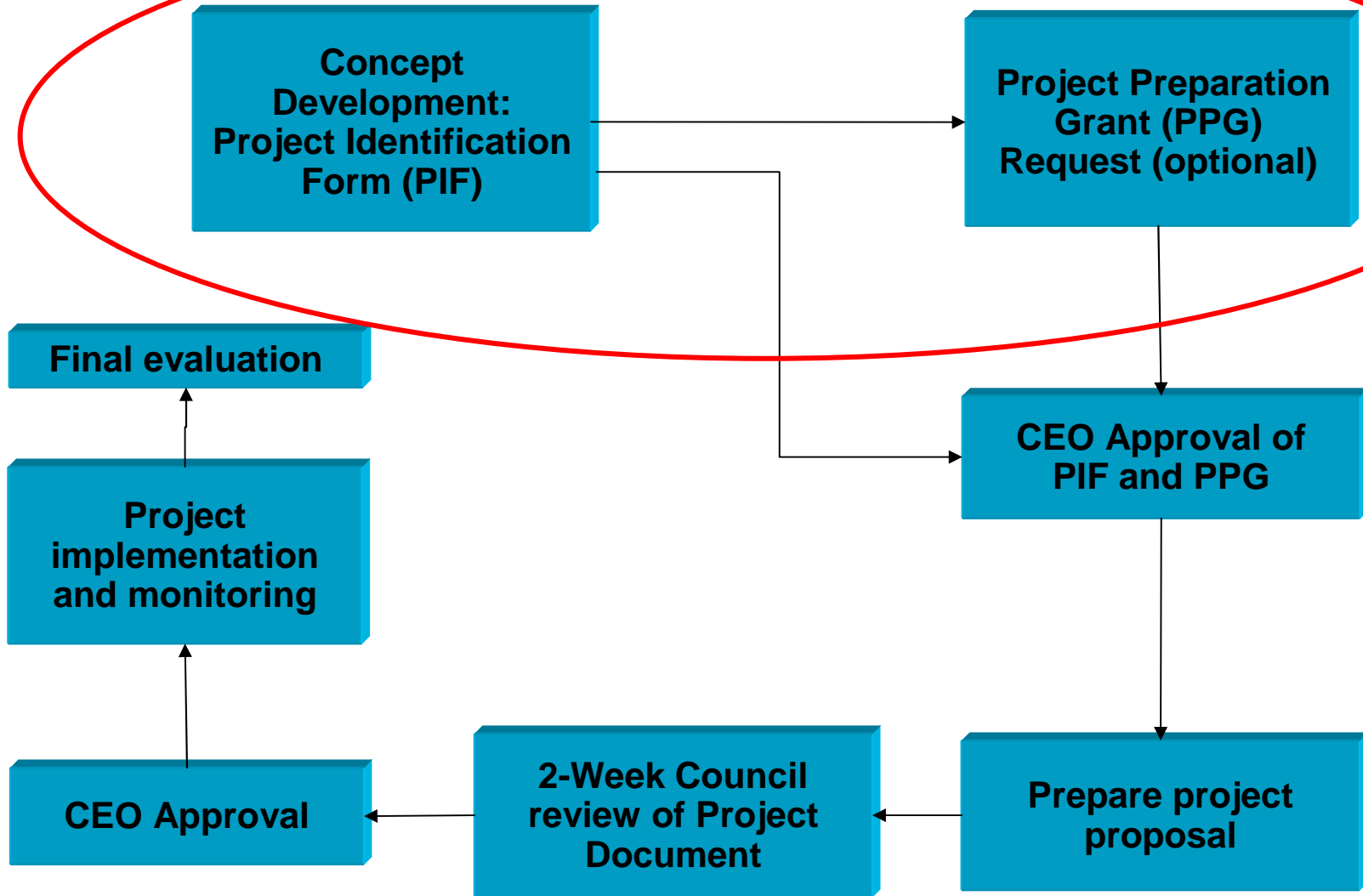
Status:

- Discussion on project started with GEF 2 years ago...
- Project Identification Form (PIF) prepared and submitted to the GEF in the spring of 2010
- Due to exhaustion of remaining GEF funds, we will re-submit again in 2010

Programme focus:

- Strategic programme focus: International Waters - SP3-Freshwater Basins: **Balancing overuse** and **conflicting uses of water resources** in **surface and groundwater basins that are transboundary in nature**
- Tangible global benefit from the project: “The project will develop and apply (through demos) water footprint and offsetting **methodologies as well as supportive policy frameworks** which may be some of the tools **needed to mitigate the competing uses of the stressed freshwater resource**”

GEF Project Cycle: Medium Size Projects



GEF Guidance on WF proposal to date

GEF Comments are summarized below:

1. Expected outputs

- Achieve numerical targets on water efficiency improvements → suggested 5% but may need more
- Improve 2 priority water quality parameters in pilot sites
- Develop supportive policy frameworks with relevant local, national, and/or basin level institutions and by specific industry sectors

2. Linkage with GEF

- Involve GEF Secretariat in partnership dialogues to facilitate cross linkages with GEF projects with industry and corporate involvement
- Link platform with a wider network of practitioners and provide key outputs to be used for capacity building among the GEF portfolio, by linking to the GEF IW:LEARN website

3. Project duration

- Make it 2 years plus 6-9 months for project preparations



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Budget sought and co-financing needed

Project budget sought: US\$2.6 million

GEF financing: US\$1 million

Fund raising requirements

Co-financing: US\$1.6 million

1. Project government contribution (in-kind): US\$120,000
2. Bilateral aid agency (grant): US\$375,000 (secured from South Korea)
3. Private sector (in-kind): US\$250,000
4. NGOs and other agencies (in-kind): US\$100,000
5. GEF agency – UNEP (in-kind): US\$500,000
6. GEF agency – UNEP (grant): US\$300,000 (secured)



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Executing Partners and Countries (potential)

Country focus: at least 2 selected during the project preparation based on original project criteria

GEF preference: basins with water conflicts and areas where GEF IW projects have been undertaken Coastal areas of Mediterranean Sea and South China Sea



Water Footprint
NETWORK



The CEO Water Mandate



Project Component 1



| | Expected Outcomes | Expected Outputs |
|---|---|--|
| <p>1. Formulation and promotion of methodologies and tools for application of water footprinting and related concepts</p> | <ul style="list-style-type: none"> - Increased understanding of water footprinting, off-setting and neutrality concepts, through formulation of methodologies and tools, among public and private sector partners - Increased awareness and acceptance of water footprinting and related concepts, tools and supportive policy frameworks due to information dissemination, partnerships, and informed decisions regarding water-intensive practices and investments - Partnership catalyzed to help/assist the IW Portfolio in water footprint, neutrality, and efficiency issues | <ul style="list-style-type: none"> - Methodologies and tools for geographical applications and industrial applications are identified, with one report that cover geographic application methods and tools and one report that cover industry level applications - Assessment of policies and strategies that support decision-making and implementation of water footprint is conducted - Partnership dialogues engage at least 30 industries, governments and other stakeholders to discuss and agree on methods and tools - Knowledge management system is established to provide access to tools, best practice examples, and guidance on methodology and tool application for targeted industries, financial sector, and public institutions - Partnership and knowledge management are linked with IWLEARN to foster capacity and knowledge sharing |

Project Component 2

| | Expected Outcomes | Expected Outputs |
|---|---|--|
| <p>2. Pilot applications of water footprinting and related concepts in geographical locations</p> | <p>Improved environmental functioning and performance through the application of water footprinting, off-setting, and neutrality concepts and related management tools in water scarce and water stressed locations</p> | <ul style="list-style-type: none"> - 2 pilot demonstrations (each including industrial, agricultural, and domestic applications) are conducted to assess impacts of applying water footprinting, off-setting, and neutrality in selected geographical locations or basins - Water use efficiency is improved by at least 5% in the pilot sites - 2 priority water quality parameters are improved in the pilot sites - Capacities of project partners are strengthened to apply water footprinting, off-setting and neutrality tools - Supportive policy frameworks are developed with relevant local, national, and/or basin level institutions and by specific industry sectors - A replication strategy at the basin and/or geographical level is disseminated, utilizing the knowledge management platform mechanism and private-public sector engagements |

GEF Project Cycle: Project Identification & Preparation

- Project Identification Form (PIF)
 - Provides key information on project idea and best estimate of project cost
 - Submitted on a rolling basis
 - Accompanied by National Operational Focal Point endorsement
- Project Preparation Grant (PPG)
 - Available to PIFs cleared by CEO
 - Grant amount based on estimate of project preparation costs
 - Approved on a rolling basis
- PIF and PPG can be submitted together



Review Criteria for Project Concepts

Criteria for PIF Review:

- Country eligibility
- Consistency with GEF strategic objectives/programs
- Comparative advantage of GEF Agency submitting PIF
- Estimated cost of the project, including expected co-financing
- Consistency of the GEF grant request with resources available in the focal area and Resource Allocation Framework allocations
- Milestones for further project processing



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Review Criteria for Complete Project proposals

Criteria for CEO Endorsement of Projects:

- Project's ability to deliver its outcomes, and generate global environmental benefits consistent with focal area strategies
- Cost-effectiveness in using GEF funds:
 - review of project budget, cost tables for project components, project management, consultants, and co-financing
- Compliance with GEF Monitoring and Evaluation Policy
- Project preparation grant status report



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Remaining tasks to be undertaken...

Re-submit the PIF and PPG when GEF-5 starts in July 2010

- PIF acceptance may start in the fall (to be confirmed)
- Decide whether to stay as an MSP or expand as an FSP??

If and when PIF is accepted:

- Develop the project document (with project preparation grant)
- Confirm pilot countries and industries (at least 2)
 - Obtain country endorsement letters
- Confirm co-financing from governments and partners
 - If submitted as FSP, additional co-financing is needed!



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Thank you

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