



**Global
Environment
Facility**

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NEWS RELEASE

GEF Signals Need To Build Capacity For Fast-Growing Renewable Technologies

The Global Environment Facility (GEF) believes that capacity building is critical to increasing global electricity production from renewable technologies. To make good on a promise to developing countries to explore policy and capacity development for renewables, GEF is co-sponsoring the International Grid-Connected Renewable Energy Policy Forum on February 1-3, 2006, in Mexico City, Mexico. The forum, also sponsored by the Energy Ministry of Mexico and the World Bank, and organized in cooperation with the Global Wind Energy Council, is aimed at facilitating greater use of on-grid renewable energy in the developing world.

*"The renewable energy issue is about far more than technology," says **GEF CEO and Chairman Leonard Good**. "It is also about human and institutional capacity, regulatory and policy frameworks, and financing and business models."*

Renewable energy is the fastest growing of all energy technologies worldwide but currently contributes only about 2% of global primary energy use and 4.4% of global installed electricity generation capacity. The GEF, one of the largest sources of funding for renewable energy in developing countries with over a decade of experience in funding such projects, is committed to supporting countries' increased renewable energy use. At the Renewables 2004 conference in Bonn, Germany, the GEF promised to commit US \$100 million per year, given a flow of high-quality projects, and sustained levels of replenishment. Since its inception in 1991, the GEF has already provided more

than \$1 billion in grants for renewable energy, which has in turn leveraged more than \$6 billion in co-financing, supporting more than 140 projects across South America, Africa and Asia.

The GEF's recent renewable energy projects focus on helping countries create an enabling environment in which renewable energy can flourish. One such example is the Strategic Renewable Energy Partnership Program in Mexico, which will create a financial mechanism that offers concessional tariff support. The mechanism will be accompanied by policy and legislative changes, including a renewable energy law which is due to be decided upon by Congress later this month. Together, the bundle of measures taken will lead to significant institutional and technical capacity strengthening as well as large investments into wind power generation capacity. The project will directly support about 800 MW of new wind capacity and a further 2200 MW are expected to be added on the basis of the regulatory changes.

The GEF's sponsorship of the Policy Forum in Mexico makes good on a 2004 commitment made in Bonn, Germany to host a consultation forum on renewable energy. This intensive three-day forum will provide a platform for representatives from government, utilities, private industry and international financial organizations to share experiences and exchange information on grid-connected renewable energy policy formulation and adoption. For more information on the Forum, visit www.gridre.org. For more information on the GEF, visit www.theGEF.org.

About the GEF

The Global Environment Facility (GEF) is an international financial mechanism with 176 member countries that addresses global environmental issues while supporting national sustainable development initiatives. GEF grants support projects in developing countries in the areas of biodiversity, climate change, international waters, land degradation, the ozone layer and persistent organic pollutants.

GEF's implementing agencies—the UN Development Programme (UNDP), the UN Environment Programme (UNEP), and the World Bank—share credit for GEF's measurable on-the-ground achievements in 1,750 projects in more than 155 developing countries and countries with economies in transition. To date, \$6.1 billion committed by GEF has leveraged an additional \$20 billion in cofinancing. GEF has also made more than 4,000 small grants, up to \$50,000 each, directly to nongovernmental organizations and community organizations.