

GEF-NGO CONSULTATION

November 7, 2005

Washington, DC

This report is a summary of the discussions during the GEF-NGO Consultation meeting, which took place on November 7, 2005, in Washington DC.

The GEF-NGO Consultation meeting was chaired by Dorothy Manuel, from ZERO Regional Environment Organisation (Zimbabwe), representing the NGOs; and Alaa Sarhan, NGO Coordinator, representing the GEF Secretariat.

On behalf of the GEF-NGO Network, Dorothy Manuel welcomed the participants by saying that as members of the GEF-NGO Network, we have a challenge to raise the bar, to reinvent our role, to ensure our future relevance and usefulness. We are going into a new era presenting new opportunities for cooperation between IAs, GEF and GEF-NGO Network and we have the opportunity to plan this revitalization with the support of the GEF Secretariat. We do believe our collective effort will win the day. I take the opportunity on behalf of the GEF-NGO Network to thank Len Good for giving us this time to dialogue, we know he has a very busy schedule as he prepares for the next few days but we appreciate his interest in the NGOs and we always look forward to this opportunity to dialogue.

Mr. Leonard Good, CEO and Chairman of the GEF, stressed that the Resource Allocation Framework (RAF) has been agreed. We are still discussing how to operationalize it. Also, we are busy with the replenishment discussions. RAF has been adopted in September 2005. The discussions were difficult, but we have adopted this new policy. Some not so sympathetic with the framework have started to accept it. For the first time, the IAs will be in a position where they have to work with countries and force to think collectively with countries. For example, large countries with individual allocations will have to think together with IAs about the portfolio. We will have to do things differently, on the operational front.

Other problem we are facing is managing the rest of GEF-3:

- a) Shortage of funds –the demand for projects exceeds the available funds. We have to cut some good proposals between this work program and the next inter-sessional work program. Some IAs are worried about problems in GEF4.
- b) Replenishment –we have two more meetings. The final meeting will be 21-24 November 2005 in Tokyo. We have 2 scenarios –one for \$3.3 billion and the other for \$3.75 billion. The mood is good, the only difficulty is that there is a significant amount of work to complete the programme document- to work out the wording, the arrears on part of the United States from GEF-2. The fact that the US is putting US\$80 million instead of US\$107 million. The main constrain is time, as we have this Friday and the Tokyo meeting left to agree on the replenishment for GEF-4.

Liliana Hisas, from FEU (Argentina) raised the question on how the GEF Secretariat sees the impact of RAF for NGOs. Enforcing the public participation policy could be an alternative to consider, in order to facilitate NGOs still accessing GEF resources once RAF is operational.

Mr. Good responded that this is something to be considered. The GEF has 10 eligibility principles, one of which is public participation. RAF will be a new way of doing business. Also, countries with individual allocation have the potential for even more country driven funding. Country allocations are not "entitlements" – we have to think about relationship between country allocations and the filters. However this should lead to positive outcomes.

Atherton Martin, from the Caribbean Conservation Association (Barbados), stressed that one of fundamental guidelines that created the GEF is partnerships. One concern is the operationalisation of RAF. RAF will be a disaster if the principle of partnership is not ensured. What measures can be put in place to ensure partners do not get crushed. We need to discuss this. We do have some suggestions. How do we link RAF to MDGs, ensure those are the documents that drive RAF?

Len Good said that:

1. Three-quarters of GEF resources will be allocated to individual countries and available under RAF regime. This is more or less how the distribution of resources has worked so far. Under RAF, the approach will be project by project. The estimated allocations per country are still under discussion regarding how to address global issues. In this dialogue, NGOs can be incorporated.
2. With respect to NGOs specifically, the GEF has a menu of mechanisms: a) the SGP; b) the Development Marketplace proposal for Smaller-sized MSPs (SMSPs); c) cross-cutting capacity building, and d) the country dialogue workshops (CDW). The most important aspect: GEF would like to see evolve on the ground process will bring coherence to GEF. This will help close the gap between environment and development thinking.
3. Need to deal with desertification. This is another good opportunity for NGOs. And this is the heart of how countries deal with integrated natural resource management.

Clemencia Vela, from FEDIMA (Ecuador) said that in the Local Benefits Study there is a recommendation to move GEF projects to be blended. This could put in risk the mandate of the GEF. What is your view on this?

Len Good responded by saying that if the question is referred to blending of funds with other donors, there is nothing to be concerned about. We have to ensure the social involvement in projects, and the impact in communities and indigenous peoples, to ensure the sustainability of projects. This increases the chances of success. The example in Cameroon is unique. Project adopting programmatic approach actually pay for results. Less a question of financial side so much as to say the design of GEF project has enough

social and institutional knowledge that these generate benefits in terms of livelihoods and people, by assuring these are dealt with you enhance the benefits. The Council is generally supportive of this subject, some things related to environmental benefits rather than the local benefits.

Rajen Awotar, from MAUDESCO (Mauritius) raised some issues of particular concern to NGOs: RAF implications and how to implement the public participation policy; on access to information - communicable access to information –the MSPs will be affected by RAF; and the effects of RAF on the SGP.

Mr. Good said that the GEF has planned to be much more open information institution by posting more information on the website. We have opportunities. We have to develop mechanisms together. He also stressed that he was disappointed with the lack of support for the UNCCD.

Mohiuddin Ahmad, from Community Development Library – CDL (Bangladesh) said that livelihoods have been mentioned several times, and that he was very pleased. This is a very critical issue, as sometimes, the poor people are at risk. The RAF criteria needs more consideration.

Andras Krolopp, from Central and East European Working Group for the Enhancement of Biodiversity – CEEWEB (Hungary) asked about RAF eligibility for European Union member states, as still all four EU members included in two accession countries to the EU.

Len Good responded that there are different sources of eligibility. Each convention has their list, and sometimes these are not clear. We also add the eligible countries for UNDP and the World Bank. We will have to wait for guidance from the European Union on that issue.

Gary Allport, from the National Audubon Society (US) emphasized the concern on the SGP. 5% of allocations under RAF will go to global projects. SGP will be fighting quite hard to maintain the current allocation it has. No provision for national governments to allow governments to contribute to SGP if they want. What is your view on meeting the commitments with SGP?

Len Good said that there will be “contributions” from the other focal areas to meet the commitment. Also, the \$50 million a year for SGP is not ideally the number that caters for the expansion of countries. We also see this as a problem, and we need to find way, path to explore.

Libasse Ba, from ENDA (Senegal) congratulated Mr. Good for his comment on desertification: there is a great need for this, and it is very good for awareness of people’s needs. Which, in your view, are the positive contributions from NGOs in relation to RAF? There is a distribution of roles for one of the actors.

Len Good said that we all have a potential role –the agencies, governments and NGOs. We need to continue this dialogue, as countries do not have entitlements to GEF moneys, nor does the IAs nor do NGOs.

Atherton Martin mentioned that regarding desertification there is a local knowledge component that needs to be incorporated in the scientific. With the proviso that capacity needs to be built we would like to embrace that completely.

Mr. Good thanked the audience, encouraging NGOs to continue the dialogue.

The next agenda item discussed was the **Resource Allocation Framework (RAF)**. On behalf of the GEF Secretariat, Ramesh Ramankutty made a presentation explaining the background and paper for this meeting:

- a) Information document –describes RAF
- b) Implementing RAF – there are two questions:
 - Way forward operationally and;
 - Procedures to be put in place before June 2006

Also, the issue of disclosure of information is presented to Council. After the replenishment negotiations are completed, we will have more accurate information on the allocations.

Gary Allport asked how does group allocation work.

Ramesh Ramankutty said that group has other constraints, pots of money for certain countries, have ceiling, and a minimum allocation. When we operationalize this we have to play out options. Every country in group will be able to access \$1 million. In the 4 years, that country could not receive more than the ceiling. We are constrained by RAF architecture, where only 5% of funding is available. Refrained from discussing the reporting, even while evaluations have been done for enabling activities. Hope is that it is not the only tool that countries are employing; output of enabling activities is one.

Liliana Hisas asked about Mr. Good’s comment regarding the input from NGOs in the draft operationalization of RAF. How would this work?

Ramesh Ramankutty explained that there should be a draft ready by February 2006. The GEF will circulate this draft, and welcome the input from NGOs.

The **Small Grants Programme (SGP)** was the next item in the agenda. Delfin Ganapin, Global Manager of the SGP, explained the problems the SGP is going through with the implications of RAF. A possible solution would be to graduate mature countries out of SGP. These countries are the one in which the SGP is having more results. Graduation of SGP is very difficult because of budget constrains. We are talking to government focal points so that from the allocation the country receives, part will be used to cover the difference of funds for the SGP. The critical issue for the next days is in the work program –the replenishment for Tranche 2 of the SGP Third Operational Phase has been reduced to \$50 million from the expected \$60 million, which is the absolute minimum

required. Also, the SGP need the GEF-NGO Network to take the lead in strengthening the Network.

Emad Adly, from the Arab Network for Environment and Development – RAED (Egypt) further explained the constrains SGP is facing:

- Graduating countries have to be postponed for some years. Work together on capacity building for NGOs and CBOs to get grants.
- Link partnership with strategic projects. NGO Network could become strong partners to develop strategic projects.
- Relationship between support from NGO network for replenishment of SGP. How SGP is helping these countries.

He also stressed that the Network could act as initiators of projects, The SGP have strong allies at the national level.

Mr. Ganapin added that they had done initial discussion with some GEF focal points, hope GEF will allow for the discussion of SGP with government. Relationship between civil society and government must be strengthened - not all countries can participate but if we manage to get a critical mass this would be good. Cannot depend on the contributions negotiated every year with national governments and Focal Points. There is a danger here of over dependence on national government fund, takes away from the independence of SGP. The SGP has succeeded in getting co-financing on a 50/50 basis. The problem is the administrative budget to support. SGP can only use 20% of GEF funds for administration. As you bring in new countries you have to get new national coordinators. The administration has to correspond with increase, but if the GEF budget is stagnant, so how can this be achieved. We may be able to only include 5 new countries in the SGP after 2007 as we do not have more funds.

Frank Pinto, Executive Coordinator of the UNDP-GEF Unit, said that it is very hard to tell countries who want to join to wait. They have the suggestion of a graduation policy, have to help mature countries to make sure their programmes can be fully sustainable. Do not see funding exceeding \$50 million/year.

Mr. Ganapin mentioned that national/regional meetings could be organized. Put 1 day back to back meeting on NGO Network to refine plans to concretize for working relations of NGO Network and SGP.

The next issue discussed was the **Independent Review of the NGO Network**. Atherton Martin started the discussion by saying that the Review points out critical issues; issues in which we will act to address recommendations in the paper. Role of NGO network, the report confronts us with distilling this exercise. Human and financial resources constraints stand out as the network attempts to deliver. Institutional capacity - how are we making use of our strengths, have we succeeded in bringing them to bear. Relationship with Council - clear there must be a very strong relationship with GEF Secretariat - how has it worked so far as there any weaknesses. Is there the political commitment/will? Administration and management capacity - ability to represent and the translation to local level. As an indication of the sampling, the network has conducted a

rigorous review of the report and produced a summary. One of the questions arising is how we value the voluntary contribution of the NGO Network.

Estrellita Fitzhugh, the consultant in charge of the report, said that the Secretariat had very specific ToRs for the review. The report was not put on web before comments. Comments were received from NGO Network, M&E, Biodiversity team, GEF Secretariat, no comments from IAs. Still trying to obtain comments. Used my discretion to include comments into report basing it on the most relevant etc. All should be kept and used for future actions.

Rajen Awotar said that culture, approaches -fundamental difference: less than 1% of responses to the questionnaire, fair to project this as a global document. Mostly frustrated people -without counter checking.

1. Authenticity of the information - survey is inadequate
2. Appointment of Ombudsman to help us monitor work of its members - report has not had the ability to correct or improve itself. Secretariat needs to get a more engaged relationship with the network.
3. Identify independent person to investigate past elections.

German Rocha, from Corporacion Pais Solidario (Colombia) said that big NGOs are not participating, and there is a need to attract them; and how can we draw strengths with NGOs from the conventions.

Andras Krolopp stressed the following points:

1. Background and future to the document - information document.
2. Ombudsman - coach (person outside system)
3. Accusation of mismanagement.

Jesus Cisneros, from the IUCN Regional Office for Mesoamerica (Costa Rica) said that the Network is part of the global structure of GEF. NGO needs to attend to the main framework of GEF. Network needs to work with policy and needs to move to M&E mechanisms according to the policies of GEF. Move to Action Plan. Use the M&E Framework and policies to develop the NGO Network. Workplan/Indicators/Outputs. Way NGO Network relates to the GEF Secretariat is not very clear. He also suggested the following next steps to be considered:

1. Formally this document is put forward to Council.
2. Appoint someone full time.
3. Encourage Council members to respond.
4. Formal engagement -systematic engagement between GEF and NGOs.

Brian Keane, from Land is Life (US), representing the Indigenous Peoples, said that there is lack of participation of indigenous people in the Network. He requested one seat per region for indigenous peoples to be considered.

Liliana Hisas said that the Network has explained the next steps we will be taking, and asked about the next steps the GEF Secretariat will be taking to respond to the Review.

Funke Oyewole, from the Corporate Affairs team at the GEF Secretariat, specially thanked Estrellita Fitzhugh for her work. She said that the report reviewed the partnership. What the Secretariat has been doing to support the Network and see how we can do better, how to come up with something more effective, we want to empower the Network. Summary shows us the action, the revitalization. For the next Council meeting we can come out with concrete actions to ensure everybody is galvanized.

Kristin McLaughlin, from UNEP, said that UNEP welcomes the review and is in support of the NGO response, we stand by the Network to help this body operationalize. Need to promote change - innovation and strengthen innovation.

Discussions on **Monitoring and Evaluation issues** followed. Robert van den Berg, director of the M&E unit, introduced the main papers presented to this Council meeting:

- (a) The GEF Policy of Monitoring and Evaluation.
- (b) Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council.
- (c) Procedures and Format of the GEF Management Action Record
- (d) The Role of Local Benefits in Global Environmental Programs.
- (e) Evaluation on GEF's Support to the Cartagena Protocol on Biosafety

Mr. van der Berg explained that additional decisions - monitoring with project concerned, involving civil society where these projects take place - move to change name of unit to "Evaluation". The role this unit will play:

1. Support development of result indicators.
2. Evaluate whether M&E are meeting these requirements.
3. Give Council recent developments/consequences

Also, set norms, standards and principles for GEF Council. Can say that if they get funds to do so from the Council.

On the Local Benefit Study, it included 67 projects of GEF-2. Heavy emphasis on biodiversity projects. In many areas local and global benefits are strongly linked. Local benefits are crucial to achieve global benefits. The recommendations include:

1. Local benefits should be integrated into programming.
2. Integration of Local benefits more systematically carried forward in the cycle of the project.
3. Trade offs because global and local benefits.
4. To strengthen linkages GEF should ensure adequate involvement of social and institutional issues.

Outstanding incremental costs - basic principle have business co-funding (base line) as usual. GEF Funding of global benefits (incremental costs).

Jesus Cisneros made an intervention on behalf of the NGOs¹. Step forward as regards steps given by Council to this office, substantial progress, share with person in charge that *“Stakeholders might be useful this section be extended further so it depicts the*

¹ See Compilation of NGO interventions

intervention the NGOs make”. He also asked Mr. van der Berg for assistance to define elements for better performance after the Review of the Network.

Mr. van der Berg welcomed the proposal, and said that we may include the Network as target in the follow-up of the review to establish an evaluation mechanism.

Clemencia Vela made a presentation on behalf of the NGOs, as she has been representing the NGO Network in the Advisory Panel of the Local Benefits Study².

Atherton Martin asked what is the GEF doing better today. Long response here between processing and implementation, monitoring and evaluation around RAF, what role NGOs can play. There is difficulty of sustaining local benefits. We are in a transition in/out.

Mr. van der Berg explained that an independent review of RAF will be done after 2 years of its implementation. We also have country-portfolio evaluations, to see how projects fit into country priorities.

The GEF Development Marketplace partnership was presented. Joyita Mukherjee and David Bonnardeaux, from the Development Marketplace (DM), explained how the GEF contribution, if approved by Council, would work. The next DM’s theme is: “Innovations in Water, Sanitation, and Energy Services for Poor People”. The deadline for submission of proposals is November 30. The DM works with small grassroots organizations, it is easy to find and fund. Engage variety of environment experts to evaluate proposals. Pick finalists not only sellers of ideas but many buyers of ideas. The Marketplace will take place in May 2006. 2 years to complete implementation of projects. Less than 50% of those who apply have a chance, there is a disappointment factor. Keep entry barriers low: six questions of 100 words each. Outreach you could allow people to witness thing through the Distance Learning. Country marketplaces - WB, UNDP, USAID - these vary. Part of the GEF contribution will go into this DM, for those projects that have a global environmental component; and part will be reserved for next year.

Liliana Hisas made an intervention on behalf of the NGOs³, after participating in the MSP Working Group that designed the Smaller-sized MSPs (SMSPs), of which the DM partnership is the first step.

The **GEF Strategy to Enhance Engagement with the Private Sector** was presented. The representative of the GEF Secretariat said that there are a lot of projects on Climate Change, but most on biodiversity. What does it mean to have a strategy to engage with the private sector? The paper going to Council has 2 steps:

1. First part of strategy
2. Come back in June 2006 with the rest.

The overarching goal is to generate global environmental benefit through engagement with the private sector. Proposed strategy - 3 focal areas - biodiversity, Climate Change (energy efficiency, renewable energy, transport and adaptation) and international waters (public/private partnerships, innovative financing). Cross Cutting Initiatives:

² See Compilation of NGO interventions

³ See Compilation of NGO interventions

1. Pilot fund to test PPP cooperative.
2. Strategic non grant instruments
3. Knowledge management system.

The direction is derived from feedback from private sector and Council to reduce bureaucracy.

Atherton Martin said that there is a need to define what is private sector.

1. Overpowering global issues like WTO that have devastating impact on local. Who at the GEF - can pay attention to this global framework.
2. Procurement rules and procedures of the donor countries have required us to use non local consultants.
3. Inappropriate equipment and supplies not consistent with working of natural systems.
4. Financial sectors response to the private sector - new and innovative modalities and investment.

Need cross cutting and integrated development approaches to private sector investment behavior. Creative financing e.g. debt for nature swaps. Lots of people are doing this and doing it well. Place monetarised value on local knowledge offset debt burden.

Clemencia Vela said that there is a question on bureaucracy; pilot fund is attempting to set up resources which can be done on an expeditious basis, when referring to the private sector engaging with GEF.

Frank Pinto gave some examples in UNDP projects, e.g.: working with different small private sector – e.g. Growers Association in West Africa.

The following item discussed was the **Elements for a Biosafety Strategy**. Paz Valiente, from the GEF Secretariat explained that:

1. Global projects to prepare national frameworks for bio-safety - run by UNEP assisting 120 countries.
2. Global capacity building to have participants to clear bio-safety. Assisting 130 countries.
3. Implementing bio-safety frameworks aimed at 12 countries, managed by 3 agencies UNEP/WB (India/Columbia/UNDP (Malaysia and Mexico)
4. On the basis of experience and together with guidelines received by Conference of Parties.

The interim strategy includes the following elements: 10-15 MSP - similar in content, activities and financial levels; and 1-2 regional projects aimed at strengthening the regional centres as mechanisms/expert centres to provide.

The objectives of the strategy:

1. Questioned response of GEF to protocol has been consistent and professional and professional quality adequate.
2. Support provided by GEF to build capacity.
3. Study real progress made where projects were implemented.

4. Criteria and support mechanisms of GEF are efficient compared to results from other projects.

Results / significant achievements obtained:

1. Activities taken care of drafting legal, very positive national framework.
2. Increased awareness about bio-safety by government, civil society organizations and Community Based Organisations.
3. Link/interaction among different sectors good, dialogue between industry and civil society.

Resulted in identifying areas where performance can be enhanced.

1. More realistic and clear objectives.
2. Financial support must be estimated according to the real requirements/..... of the countries.
3. More attention to needs and requirements of regional cooperation and performance.
4. Need experts with practical experience to support bio-safety.
5. Difference in countries - not good to apply uniformly.

Impact on RAF in the strategy - we need to keep in mind that of \$80 million proposed. 5% is for bio-safety. A significant proportion must come from the allotment of countries. If countries are willing to contribute from their entitlement to bio-safety not certain.

Rajen Awotar said that the programme is to enhance capacity of countries. Many countries are short of technicians to control GMO products coming into the country. Does strategy have provision for this.

GEF Activities related to Forests was the next item discussed. In 2005 Council requested Secretariat to work at GEF activities related to the Forests.

Mohiuddin Ahmad said that there is a need for a holistic approach to Sustainable Forest Management. Pay more attention to create alternatives. Projects should not be entirely environmental but create jobs.

Rajen Awotar asked if these activities support countries to work out own national forestry policies.

Hubertus Samangun, from Ikatan Cendekiawan Tanimbar Indonesia - ICTI (Indonesia) said that there is no mention about plans or budget on Indigenous peoples take into account CBD article 8J regarding TRFK. On CBD process the IIFB (Indigenous peoples forum on Biodiversity) have the status as "ADVISORY" to the COP-CBD but got no funding from the CBD Sec or from GEF.

Brian Keane said that guidance from CoP decision talks about need to move away from model of protected areas - recognize indigenous resource use and right to continue using these resources to perform cultural rituals. Council decision asked for paper to be produced with very tight TORS so some issues were not covered because they were not tasked to do. Alternative livelihoods - work programme for forest biodiversity reflects

that. How a project is identified and developed in specific countries will reflect issues on the ground. New operational guidelines are required for forest programme.

Lastly, an announcement was made of a Sub-Regional Consultation in the Caribbean in February 2006. National/sub regional dialogue - ensure public, private sector can work together to apply GEF considerations.

Conclusions

Alaa Sarhan and Dorothy Manuel made the closing remarks, by saying that we are moving to a new era and we are on the ride. RAF pointed out many benefits but when there is always the fear to change - uncertainty, finding our way and trying to make it work. We have to work through all this very positively, looking at the issue of closing the gap between environment and development, integrating the whole issue of livelihoods:

You have the coming to fruition the Development Marketplace with an allocation envelope of US\$5 million. Good programmes with different options available will soon be in place.

Thank you for contributing to have a most rewarding meeting, we have enjoyed the dialogue, we have engaged, shared ideas and share information. Thank you most humbly for the staying power. We now need to translate this into multiple forms of action.

- The future development of the NGO Network into a vibrant and relevant institution within the GEF structure. Re-invent its role to ensure continued efficient delivery system looking at the value addition.
- Challenges posed by the RAF, how we move around as we roll this out into operation. The challenges of looking at design as we drive to operationalise. The issue of closing the gap between environment and development thinking. The livelihood considerations. There is still much to do to operationalise the RAF Framework, manage the rest of GEF 3 and embark on GEF 4.

I know you will all agree with me. We have much work to do as we get through the next few days. Somehow we all find ourselves in one way or another in a transition. There are many issues that are in transition.

We look forward to massive change in the operations of GEF, for the GEF Secretariat, NGO Network and IAs. As we go forward with commitment and raise the bar, "thinking outside the box" to a new level of operation, we are optimistic.

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