

# Global Environment Facility

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GEF Council  
March 30-31, 1998  
New Delhi, India

NOTE ON THE RECONSTITUTION OF ST.AP  
FOR THE SECOND PHASE OF THE GEF  
(Prepared by United Nations Environment Program [UNEP])



## BACKGROUND

1. *The Instrument for the Establishment of the Restructured Global Environment Facility (GEF)* states that "UNEP shall establish, in consultation with UNDP and the World Bank and on the basis of guidelines and criteria established by the Council, the Scientific and Technical Advisory Panel (STAP) as an advisory body to the Facility". The *Instrument* also states that "Council shall . . . approve and periodically review . . . the mandate, composition and role of STAP".

2. *The Terms of Reference of the Scientific and Technical Advisory Panel (STAP): Mandate, Composition and Role* approved by the GEF Council in October 1995 states that "The Executive Director of UNEP, in consultation with UNDP, the World Bank and the GEF Secretariat, shall appoint the members of STAP and shall also designate a Chairperson and Vice-Chairperson". The tenure of the current STAP will expire at the end of FY98 (June 1998); and as a consequence the new STAP's term of office will commence at the beginning of FY99 (July 1998).

## PROCEDURE AND CRITERIA FOR RECONSTITUTION OF STAP

3. In accordance with the mandate entrusted to the Executive Director of UNEP in *The Instrument for the Establishment of the Restructured Global Environment Facility* and in consultation with the Chief Executive Officer (Chairman of the GEF and other Heads of Implementing Agencies), the Executive Director in the note addressed to the 10th meeting of the GEF Council, held in Washington in November 1997 (GEF C.10 Inf.P), highlighted the procedure and criteria guiding the reconstitution of STAP. It was agreed that the reconstitution of STAP will be guided by the need to learn from the lessons of the last reconstitution, and will ensure a minimum of continuity based on an objective evaluation of the performance of the current STAP Members. The importance of an equitable geographical representation, gender balance of the new STAP and the principle of geographical rotation was also underscored. The establishment of a Search Committee with the participation of the GEF Secretariat and the other Implementing Agencies was agreed upon.

4. The Council in reviewing UNEP Information Note recommended that UNEP include on the Search Committee for STAP Reconstitution, representatives of the scientific and technical subsidiary bodies of the Conventions as well as representatives of the International Council of Scientific Unions (ICSU) and the Third World Academy of Science (TWAS). This recommendation was acted on by UNEP immediately after the Council Meeting and the representatives from these organizations participated actively in the work of the Search Committee. Accordingly, letters of invitation have been addressed on 17 November 1997 by the Executive Director of UNEP to the suggested new members of the Search Committee.

5. The Council also requested UNEP, as it proceeds with the reconstitution of STAP, to follow the guidelines set out in the Terms of Reference for STAP, taking into account the Members' comments and the experience of the GEF entities with the work of STAP. UNEP was also requested to provide advance information to the Council on the proposed composition of the new STAP before its final submission at the April 1997 Council meeting.

6. In accordance with the guidelines contained in the "Terms of Reference of the STAP: Mandate, Composition and Role," a number of principles guided the work of the Search Committee in recommending the composition of STAP:

- (a) Recognized leadership in applied science or technology in the GEF focal areas of Biological Diversity, Climate Change, International Waters, and Ozone Depletion, as well as Land Degradation as it relates to the four focal areas and with an ability to address the economic, social and policy dimensions of science or technology;
- (b) Geographical and gender balance;
- (c) Experience in the management of science and with knowledge of issues in the implementation of complex international initiatives;
- (e) An understanding of the organizational and operational setting of the Implementing Agencies, particularly in the context of Programme and project development and implementation;
- (f) Extent to which experts are involved with networks of their scientific and technical peers, including, knowledge about the scientific processes required for the implementation of relevant conventions in developing countries and familiarity with relevant international assessments; and
- (g) Minimum continuity in the membership of STAP.

7. In addition, the Search Committee agreed that the issue of the profile and type of expertise required for STAP Phase II should be addressed in relation to the priorities of the work Programme of STAP for the next phase as well as GEF priorities as reflected in the Business Plan for FY99-FY2001. On the basis of input received from the current STAP, the GEF Secretariat, the Implementing Agencies and the Search Committee members themselves a document entitled "Priorities which STAP Should Address in GEF II" was prepared by the STAP Secretariat.

8. On 26 February 1998, the Search Committee completed its work and recommended to the Executive Director of UNEP the following composition:

#### Biodiversity

Dr. Peter Bridgewater	Australia
Dr. Madhav Gadgil	India
Dr. Christine Padoch	U.S.A.
Prof. Paola Rossi Pisa	Italy
Prof. Jose Sarukan	Mexico

### Climate Change

Dr. Michel Colombier	France
Dr. Zhou Dadi	China
Dr. Stephen Karekezi	Rwanda
Prof. Shuzo Nishioka	Japan

### International Waters

Prof. Eric Odada	Kenya
Dr. Angela Wagener	Brazil

### Cross Cutting

Dr. Dennis Anderson	United Kingdom
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9. The Search Committee also recommended Dr. Madhav Gadgil as Chairman of STAP and Dr. Christine Padoch as Vice-Chair. The biographical notes of the new STAP for the second phase of the GEF is attached.

10. Consistent with the guidelines for STAP Reconstitution contained in "The Terms of Reference of the Scientific and Technical Advisory Panel (STAP): Mandate, Composition and Role" approved by the GEF Council in October 1995, the Executive Director of UNEP after consultation with the CEO/Chairman of the GEF, the President of the World Bank and Administrator of UNDP endorsed the recommendations made by the Search Committee for STAP Reconstitution.



## BIOGRAPHICAL NOTES ON STAP MEMBERS

### I. BIODIVERSITY FOCAL AREA

#### DR. PETER BRIDGEWATER

Dr. Peter Bridgewater is a Chief Science Adviser at Environment Australia in the Government of Australia. He obtained a BSc in 1967 and was awarded a PhD in 1970 in botany at the University of Durham, United Kingdom. He was a senior lecturer on environmental science at Murdoch University from 1977 to 1982. From 1982 to 1988 he was the director of the Australian Bureau of Flora and Fauna. In 1988-1989, he was First Assistant Secretary of the Australian Department of the Arts, Sport, the Environment, Tourism and Territories. From 1990 to 1996, he was the Chief Executive of the Australian Nature Conservation Agency. In 1996-1997 he was the Head of the Biodiversity Group at Environment Australia. He is currently member of the International Scientific Advisory Board to the Director General of UNESCO; Independent World Commission on the Oceans; Scientific Advisory Committee of DIVERSITAS; Species Survival Commission of IUCN; Commission on Ecosystem Management of IUCN; Commission on National Parks and Protected Areas of IUCN; Chairman of the Inter-governmental Coordinating Council for the UNESCO Man and the Biosphere Programme and the Chairman of the International Whaling Commission. In 1994-1997, he was Chairman of the Standing Committee for the Convention on Migratory Species. In 1996, he chaired the Conference of the Parties to the Ramsar Convention. In 1995-1996 he was the rapporteur of the first bureau of the Subsidiary Body on Science, Technology and Technological Advice to the Convention on Biological Diversity. In 1992-1994 he was the Vice-Chairman of the International Whaling Commission. In 1991-1994 he was Vice-Chairman of the Standing Committee for the Convention on Migratory Species. In 1990-1994, he was chairman of UNESCO Australian National Science Network. In 1987-1990, he was a member of the Commission on Ecology of IUCN. In 1987-1989 he was a member of the Man and the Biosphere Committee of UNESCO. He chaired a number of major scientific and technical conferences and workshops. He has over 20 years of experience of radio and television broadcasting, including community radio. He is ex-officio member of a number of national and regional scientific committees.

#### DR. MADHAV GADGIL (CHAIRMAN)

Dr. Madhav Gadgil (born 1942), M.Sc. (Bombay 1965), Ph.D (Harvard 1969), has been an IBM Fellow of the Harvard Computing Centre, a Lecturer in Biology at Harvard University, a Visiting Professor of Human Biology at Stanford University and a Distinguished Visiting Lecturer at the University of California, Berkeley. Since 1973 he has worked at the Indian Institute of Science, Bangalore where he is currently a Professor of Ecological Sciences. His research interests include population biology, conservation biology, human ecology and ecological history. He has published over 160 research papers (two of them recognized as Citation Classics) and three books, "This Fissured Land", "Ecology and Equity" and "Diversity: The Cornerstone of Life". He has been associated with the editorial boards of Conservation Biology, Conservation and Biodiversity, Conservation Ecology and Biotropica. He was a Section Editor for the Global Biodiversity Assessment. He received the National Environmental Fellowship in recognition of his field research on the people-environment relationship on the hill chain of Western Ghats in India, where he has been involved in the establishment of the country's first biosphere reserve. He was a member of the Science Advisory Council to the Prime Minister of India from 1986-1990, a Vice President of the SBSTTA of the Convention on Biological Diversity in 1995, and since 1996 a Trustee of CIFOR. He is presently a member of the Government of India's committee to draft biodiversity legislation. He is actively involved in a network of institutions working towards monitoring the biodiversity of Western Ghats, initially established with the help of a Pew Scholar's Award in Conservation and the Environment.

for the year 1993. He is a Fellow of the Indian National Science Academy, Third World Academy of Sciences, a Foreign Associate of the U.S. National Academy of Sciences and an Honorary Member of the British Ecological Society. He was awarded Padmashri by the President of India.

#### DR. CHRISTINE PADOCH

Dr Christine Padoch is a Senior Curator in the Institute of Economic Botany of the New York Botanical Garden. She is an ecological anthropologist by training. For over twenty years she has been doing research on traditional patterns of forest management, agroforestry, and agriculture in the humid tropics. She has also investigated small-scale marketing of forest products and marketing networks. She has worked extensively in both Latin America and South-east Asia, particularly in Amazonia and on the island of Borneo. She has long-term interdisciplinary research projects underway in West Kalimantan (Indonesia) and Amapa (Brazil) and participates in research-based demonstration and training projects at several sites in the South American and Asian tropics and subtropics. Since 1994 she has served as an Associate Scientific Coordinator of the People, Land Management, and Environmental Change (PLEC) project.

#### PROF. JOSE SARUKHAN

Prof José Sarukhán graduated as a biologist at the National Autonomous University of Mexico (UNAM) in 1964. He obtained a Master's degree in Agriculture Botany from the Postgraduate College (Chapingo, Mexico City) in 1968 and in 1972 was awarded a Ph.D. in Ecology at the University of Wales. He was elected by the Board of Governors to be director of the Biology Institute of the UNAM for two consecutive periods, and he held this post from 1979 until 1987. In 1997 he was appointed Vice Chancellor for Science at the UNAM, and was elected in 1988 by the Board of Governors as Rector of this university for the period 1989-1993 and reappointed for the same post for the period 1993-1997. He is Senior Researcher in the Institute of Ecology since 1988. He has been president of the Botanical Society of Mexico from 1972 until 1975, of the Mexican Academy of Sciences in 1984-85 and of the Association for Tropical Biology during the period 1986-1987. He was Vice-Chairman of the Board of Conservation International, a major conservation organization based in Washington, D.C., until 1995. He was appointed by the President of Mexico as Coordinator of the Mexican National Committee on the Study and Conservation of Biodiversity (CONABIO) in 1992. He was elected President of the Latin American Union of Universities (LDUAL) in November 1992 for a 3 year period, and Vice President of the Iberoamerican Association of Graduate Universities (AUIP) from 1994-1996. He is a member of various national and international scientific societies (TWAS, NAS) and belongs to technical committees in a number of institutions. He is also editor or member of auditing and evaluating committees for several scientific journals.

He was a member of the Scientific Advisory Committee of the International Geosphere Biosphere Program, and is currently of the Advisory Committee on the Environment (ACE) of ICSU, and a member of the Scientific Steering Committee of DIVERSITAS, a joint ICSU, UNESCO, SCOPE, IUCN programme. He has published 85 research papers and several books, and has taken part in more than 200 national and international congresses. Among his academic awards are a first prize to the best Botany Dissertation, a distinction for his professional (Bachelor's) examination, the National Forestry Prize for the best research work on forestry in Mexico in 1992, the Mexican Academy of Sciences Natural Sciences Prize, the merit medal of the Botanical Society of Mexico, and the "Alfonso L Herrera" Medal for ecology and conservation. He was awarded in 1990 a National Prize, the most important such recognition offered by the Government of Mexico, was also awarded an honorary doctorate from the National University of San Marcos in Lima, Peru, the "Alfonso L Herrera" Medal for Biological Research and the Henry Shaw Medal of the Missouri Botanical Garden. He is Fellow of The Third World Academy of Sciences,



Professor Emeritus of the Asociación Educativa y Cultural Casca in Lima, Peru, Foreign Member of the U.S. National Academy of Sciences, International Member of the American Association for the Advancement of Science, Academic Member of the Latin America Academy of Sciences, and he was awarded an honorary degree of D.Sc. from the University of Wales in 1993, Doctor of Humane Letters from the New York University in 1994. He was nominated the first Professor Emeritus of the Universidad Tecnológica Metropolitana in Santiago, Chile and awarded with the Conservation Biology Award from the Society for Conservation Biology in 1994. He is Emeritus Director of Conservation International, Member of the New York Academy of Sciences, Doctor Honoris Cause from the Colegio de Postgraduados, Pericles Medal for the Patronage of Culture, 1995; Lázaro Gardencas Medal 1995, University of Colima. Honorary Fellow 1996 of the Association for Tropical Biology, Honorary doctorate from the Universidad de Colima, Honorary doctorate from the Universidad Autónoma del Estado de Hidalgo.

#### PROF. PAOLA ROSSI PISA

Prof. Paola Rossi Pisa is a full professor at the Agriculture Ecology at the University of Bologna in Italy. In 1970, she was awarded a Ph.D in nuclear engineering. In 1977, she graduated from the Wageningen International Institute for Land Reclamation and Improvement from the Netherlands. She is Vice Chairperson of the Italian association of Agrometeorology. She is a member of the International Society of Sciences and of the International Conference of Irrigation and Drainage. She has published over 200 publications and established a Research Group of eminent Italian researchers.

## II. CLIMATE CHANGE FOCAL AREA

#### DR. MICHEL COLOMBIER

Dr. Michel Colombier is a project director of the International Consulting Energy, Paris, France, since 1994. He holds a Ph.D in Economy awarded in 1982 by the Ecole des Hautes Etudes en Sciences Sociales, Paris. He graduated in 1984 from the Institut National Agronomique. In 1992-1993 he was a technical adviser of the French Ministry of Energy. In 1990-1992 he was the Head of Programme Planning and Evaluation at the French Agency for the Environment and Energy Management. In 1987-1989 he was the Director of the Implementation Staff of the European Programme for Renewable Energies Development at Centro des Estudos em Economia da Energia dos Transportes e do Ambiente, Lisbon, Portugal. In 1984-1987 he was research engineer at the Centre International de Recherche sur l'Environnement et le Developpement, Paris. He is a member of the Scientific Advisory Panel of the French Global Environmental Facility and the Board of the French Association of Energy Economists and rapporteur of the Energy/Long term group for the elaboration of the French Energy 2010-2020 programme of the commissariat General du Plan.

#### DR. ZHOU DADI

Dr. Zhou Dadi is the Deputy Director of the Energy Research Institute (ERI) of the State Planning Commission (SPC) of China. He completed his B.E. of Engineering Physics in Tsinghua University in 1970, and M.E. of environmental engineering in 1982 in the same University. Zhou has been involved in many important energy policy-making processes of China. He was project leader or chief investigator for a series of international collaborative projects between China and international or foreign institutions, such as IASA, IAEA, the World Bank, the Asian Development Bank, UNDP, the Lawrence Berkeley National Laboratory and the Battelle Pacific Northwest National Laboratory of the United States, etc. He has been actively involved in the global climate change issues. In 1991, he joined with the Jae Edmonds group to help develop the SGM model for global climate change policy analysis. Since 1992, Zhou has

been assigned as the chief scientist of the Chinese Working Group III of Climate Change. He was the advisor for the China World Bank project on Issues and Options in Greenhouse Gas Emissions Control. In 1994, he helped to organize the collaborative project between China and the United States on the Climate change Country Study, and is one of the five chief scientists of the project. He has involved and contributed in the policy-making process of climate change for the Chinese Government. In 1993, Zhou helped to initiate the Beijing Energy Efficiency Center (BEECC) as one of the founders and Executive Director of the Center. He is the deputy director of the project executive office of the China/World Bank/GEF project of promoting energy conservation in China, which started from 1996, introducing the ESCo concept into China and supported by GEF, World Bank and EC with about 100 million US dollars grant and loan. He was the member of the drafting team of IPCC WG III synthesis report of the SAR. He is now the lead author of the Special Report of the Emission Scenarios for the IPCC and was invited to be the lead author for the special report of the technology transfer.

#### DR. STEPHEN KAREKEZI

Dr. Stephen Karekezi, a national from Rwanda, is the Director of the Director of the African Energy Policy Research Network (AFREPREN), as well as the Executive Secretary of the Foundation for Woodstove Dissemination (FWD), Nairobi, Kenya. Mr. Karekezi is an engineer with postgraduate qualifications in management and economics. Prior to his current appointment, he was a Senior Energy and Natural Resources Advisor to USAID's Regional Office for Eastern and Southern Africa. In recognition of his work with AFREPREN, the December 1994 issue of the international TIME magazine named Stephen Karekezi as one of the select "Global 100" Roster of leaders for the new millennium. He has written extensively on energy policy, renewable, energy efficiency, environment and development. He has written and edited over 60 publications, journal articles and papers on energy and sustainable development. He was member of STAP during the first phase of the GEF. He took the lead in organizing a number of STAP workshops in the field of energy, transfer of technology and transport.

#### PROF. SHUZO NISHIOKA

Prof Shuzo Nishioka is Director of the Global Environment Research Division in National Institute for Environmental Studies (NIES). He is also professor of Tokyo Institute of Technology (Decision Science and Technology) in charge of global environment policy. He leads seven research teams, covering wide fields of global change such as climate change, acid deposition, tropical forests and biodiversity and associated human dimensions research. He has worked for Chemical Company (1967-1979 where he was engaged in construction of a petrochemical complex, development of nuclear fuels, planning on investment of environmental and energy systems and corporated management, the NIES (1979-1984) where his research focused on the systems analysis methodology, energy related environmental issues, management of urban environment, traffic pollution control, development of environmental indicators and information system, environment assessment, citizens' participation and decision making processes. Since 1985, he has focused on global environmental problems, especially on the assessment of impacts and responding strategy of climate change. In 1988, he was nominated as a member of the committee on responding strategy for global warming (Environment Agency) and lead substantially the Agency toward precautionary strategy against global warming. He has been active in the IPCC since 1988 serving as a Vice Chairman of Working Group II (Impact assessment) in the work of 1992 report, and as a concerning lead author of chapters on the impact on energy system and human settlements in 1990 and 1992 Report. He also contributed to the finalization of IPCC 1994/1995 report. He is also associated to the activities of Working Group III (socio-economics aspects) of IPCC. He lead the translation of many IPCC Reports into Japanese and publicized IPCC results by his papers and books of more than 100 in Japan. He served as a science secretariat at a series of Asia Pacific Seminar on Climate Change (annually from 1991-) and Secretary General for the Asian Pacific Symposium of IGBP Japan (Tokyo, 1992) on the START Network. He is

leading the Japanese assistance of country study on climate change in Indonesia and island nations, works as a member of the expert committee for Cairn Council on International Cooperation for Environment and Development in pollution control and information and served many consulting works such as in the advisory boards for AIJ in Japan. He is a member of IGBP Committee of Japan Science Council and other advisory group to the environmental science and policy.

### III. International Waters

#### PROF. ERIC ODADA

Prof. Eric Odada is the Professor of Limnology and marine Geology and Head of the Marine and Freshwater Programme at the University of Nairobi, Kenya. He received his Ph.D. in sediment geochemistry from the Royal School of Mines, Imperial College, London University in 1985, and apart from the University of Nairobi, has held positions in Kenya Civil Service (1972-1979), Kenya Marine and Freshwater Research Institute (1980-1987). Prof. Odada is an aquatic scientist whose research is directed at understanding sedimentary processes in large lakes and oceans, focusing on the analysis of sediment cores for past changes in lacustrine and oceanic environments. He is also active in science-driven policy initiatives and in these areas interacts with government, industry, development agencies and the community-at-large. He has authored and co-authored more than 50 papers and reviews in limnology, climate, paleoclimate and science policy and is a member of the Editorial Board of the International Journal of Environment and Conservation. He has held the following appointment and memberships of national and international committees, working and advisory groups in aquatic science including: Project Leader, The International Decade for East African Lakes (IDEAL) Programme; Programme Director, Pan-African START Secretariat; Research Associate, United Nation University Institute for Natural Resources in Africa (UNU-INRA); Programme Director, IGBP/WRCP/WHDP START Regional Network for Global Change Research and Capacity Building in Sub-Saharan Africa; Vice-Chair, International Geosphere-Biosphere Programme Scientific Committee (IGBP-SC); Scientific Liaison, EC/START Global Change Research Network (ENRICH) in Africa; Member, IGBP Past Global Change (PAGES) Scientific Steering Committee; Consultant, UNESCO-IOC Project on Integrated Coastal Zone Management in Eastern Africa; Member, African Academy of Sciences; Member, Kenya National Academy of Sciences.

#### DR ANGELA DE LUCA REBELLO WAGENER

Dr Angela de Luca Rebello Wagener is the Director of the Chemistry Department at Pontifical Catholic University of Rio de Janeiro, Brasil. She received in 1971 a Master of Science in Chemistry and in 1971 a doctorat in science in chemistry from the Pontifical Catholic University of Rio de Janeiro. She is member of the advisory board on pollution control and prevention of the Advisory Committee of the Protection of the Seas (ACOPS) and Vice-chair of the Executive Board International Symposia for Environmental Biogeochemistry. She has contributed to a number of IOC/UNESCO activities and chaired its meeting on promoting marine research and monitoring regional studies in Southwest Atlantic region. She also chaired the 12th International Symposium on Biogeochemistry. She was also a member of the board of referees of the WMO/ICSU/UNEP project on the International assessment of the impact of an increased atmospheric concentration of CO<sub>2</sub> on the environment. She has over 10 years involvement of microalgae mass cultivation as human and animal protein source. She is the regional secretary of the Brazilian Society of Chemistry and the author of major scientific publications.

## V. CROSS CUTTING FOCAL AREAS

### DR. DENNIS ANDERSON

Dr Dennis Anderson is a professional research fellow at Imperial College of Science, Tehnology and Medicine. He is a U.K. Economic and Social Research Council Fellow of Global Environmental Change Programme a visiting Professor of Environmental Economics of University College London, and a Research Associate and visiting scholar at the Centre for the Study of African Economics of University of Oxford. He is also member of IPCC. He was, in 1992 - 1996, principal economist on Energy and Industry of the World Bank. He was the principal economist in the 1992 World Development Report on Development and the Environment. From 1969 to 1986 he was senior economist in charge of operational research assignment with operational experience in more than 30 developing countries. From 1987 - 1989 he was chief economist of the Royal Dutch Shell Group. He has published over 200 papers and reports for academic journals, including 10 books and monographs in the areas of energy, ecological economic, economic growth and development. He is the co-editor of the Annual Review of Energy and the Environment (to 2002).

# **THE GEF IN THE 21<sup>st</sup> CENTURY:**

## **A Vision for Strengthening the Global Environment Facility**

**A Joint NGO Document\***

**(Final Draft, 5 March 1998)**

\* The "GEF-NGO Network" is composed of thirteen regional focal points charged with mobilizing effective regional NGO input into the GEF process. In addition, IUCN – The World Conservation Union serves as the international focal point and helps coordinate Network activities. Members of the Network held a planning meeting in October 1997 and developed ideas for NGO input into the upcoming GEF Participants Assembly (PA) meeting, as well as the Council meeting directly preceding it (30 March - 3 April 1998; New Delhi). As a centerpiece of this NGO input, the Network decided to produce a joint NGO document laying out a vision for strengthening the GEF in the 21<sup>st</sup> Century.

This document was a collaborative effort involving contributions from the following individuals: Grace Akumu (Climate Network – Africa, Kenya), Magdi Allam (EcoPeace, Egypt), William Appiah (Third World Network, Ghana), Sheldon Cohen (Biodiversity Action Network – BIONET, United States), Mersie Ejigu (IUCN – The World Conservation Union), Liliana Hisas (Fundacion Ecologica Universal, Argentina), Korinna Horta (Environmental Defense Fund, United States), Rob Lake (BirdLife International, United Kingdom), Paul Sanchez Navarro (Pronatura, Mexico), Neena Singh (Centre for Science and Environment, India) and Zoe Young (University of Hull, United Kingdom). The recommendations contained in this document are not intended to represent any type of consensus of the NGO community or the full GEF-NGO Network.

The production of this document was coordinated by Biodiversity Action Network (BIONET), Birdlife International and IUCN-The World Conservation Union. Special thanks go out to Sheldon Cohen, Rob Lake and Mersie Ejigu -- with the above organizations -- for their assistance in compiling information, editing and production.

The final version of this document, including a list of NGO endorsements, will be circulated at the GEF Participants Assembly in New Delhi (1-3 April 1998). Any comments and feedback on this document are welcome.

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## BACKGROUND

The Global Environment Facility (GEF) was established to address some of the most urgent problems facing humankind: climate change, biodiversity loss, degradation of international waters and the thinning of the ozone layer. Recent scientific evidence that these problems are becoming more acute underscores the need for an effective GEF in the 21<sup>st</sup> Century.

Meaningful assessment of the GEF's contribution to ameliorating global environmental problems is difficult, especially given the limited number of GEF projects that have been completed. This is evident in the two recently published evaluation studies of the GEF commissioned by the GEF Council. The major study -- covering the GEF's overall performance ("Overall Performance Study") -- concentrates primarily on *operational processes*. The second study -- covering lessons learned -- draws only *preliminary* lessons from a relatively small number of existing GEF projects. Still, these official assessment studies contain some very important insights and recommendations for strengthening the GEF.

Building on these two studies, *GEF in the 21<sup>st</sup> Century* (referred to as *GEF21* hereafter) is intended as a vision for strengthening the GEF. It not only sets out concrete recommendations for strengthening the GEF's operations in the near-term, but also puts forward bold ideas for more fundamental, long-term reform designed to help build a vision of a dynamic, innovative and much more effective GEF in the coming decades. As an NGO community, we are prepared to join with governments, the private sector and other stakeholder groups to build this vision toward the fulfillment of the GEF's full potential.

*GEF21* draws on the experience of NGOs in interacting with the GEF at many levels:

- field-level project execution;
- national-level dialogue on projects and policy; and
- international policy.

The paper contains the following six sections:

- I. Infusing the GEF with a Genuine Learning Culture
- II. Mainstreaming: Can David Tame Goliath?
- III. Beyond the Monopoly of Three: Expanding the Number of GEF Implementing Agencies
- IV. Enhancing the Leveraging and Catalytic Role of the GEF
- V. Evolution of the GEF: Some Specific Concerns of Developing Country NGOs
- VI. The Role of NGOs

## I. INFUSING THE GEF WITH A GENUINE LEARNING CULTURE

Four years after the 1994 Independent Evaluation Report of the GEF issued a strong recommendation calling for the establishment of *a permanent mechanism for identifying lessons and promoting their application in GEF programs*, little progress has been made in this area. This is of deep concern since this area is critical to the sustainability of GEF projects and long-term institutional support for the GEF. While the recently completed study of the GEF's Overall Performance represents a milestone in the GEF's evolution, it unfortunately did not answer the vital question: How is the GEF generating knowledge and absorbing lessons from the experience it is accumulating in the area of protection of the global environment? Although the Terms of Reference for the Overall Performance Study specified the need to evaluate the GEF's contribution to learning from experience, due to time constraints, the Study was unable to consider the adequacy of procedures for drawing and applying lessons from project experience.

Describing itself as a 'work in progress' dedicated to pioneering new approaches to protecting the global environment, the GEF recognized early on that "Finding out what works and why -- and what does not -- is crucial to the GEF process."<sup>1</sup> In other words, a central purpose of the GEF is to generate and disseminate lessons learned as a means of facilitating an international learning process. The 'learning by doing' approach is, however, clearly, insufficient if the lessons are not well documented and are not used to influence the activities of the GEF as well as those of participating governments (both donors and recipients).

The GEF needs the commitment (i) to monitor and evaluate the impact of its projects objectively and fearlessly; (ii) to follow-up systematically on the major recommendations in its evaluations; and (iii) to address the gaps identified in past evaluations. On the first point, self-evaluation carried out by the Implementing Agencies (IAs) is clearly insufficient. On the second point, without systematic follow-up, the major recommendations contained in the Overall Performance Study may simply fade away without appropriate action. Ultimately, it is the task of the GEF Council to ensure that "GEF policies, programs and operations are monitored and evaluated on a regular basis, and that recommendations form the basis for needed reforms."<sup>2</sup>

A critical place to begin is to ensure that the Monitoring and Evaluation (M&E) Unit in the GEF Secretariat receives a strong mandate building on the recommendations of the Pilot Phase Evaluation and the Overall Performance Study, to institutionalize a process that will allow the international community to learn, from experience, which approaches best protect the global environment.

### **Recommendations**

- *The GEF Council, at its meeting in March 1998, should strengthen the Monitoring and Evaluation (M&E) program so that it can (i) systematically identify, evaluate and promote – in a timely manner – lessons learned from GEF project experiences; and (ii) carry out its existing mandate to monitor*



*and help coordinate follow-up to the two recently completed assessment studies. To do this, the M&E program should be given sufficient staff and financial resources, along with a strong mandate to operate effectively and independently of the GEF Implementing Agencies.*

- *The GEF Council and Participants Assembly, at their meetings in March/April 1998, should explicitly reiterate the importance of maintaining the M&E program's institutional independence, and take the necessary steps to ensure this.*
- *Future M&E exercises should involve civil society groups working at the policy and project levels in a more systematic and effective manner.*

## **II. MAINSTREAMING: CAN DAVID TAME GOLIATH?**

A fundamental principle of the GEF is that it should 'mainstream,' or integrate, global environmental concerns into the non-GEF operations of its three IAs.<sup>3</sup> In this catalyzing and leveraging role, the GEF has tremendous potential to incorporate global environmental objectives into the regular portfolios of the IAs. This is especially important in regards to The World Bank whose non-GEF lending portfolio and sector work have a tremendous, and often adverse, impact on biodiversity, climate and other global environmental issues.

The Overall GEF Evaluation Study, recently completed by the GEF Secretariat, confirmed long-held concerns of many NGOs that the mainstreaming objectives of the GEF were not being met. These objectives are designed to ensure that global environmental concerns are effectively integrated into the core operations and major programs within the World Bank (e.g., economy-wide loans for structural adjustment, sector loans). Otherwise, the positive environmental impacts of the relatively modest levels of funding through the GEF will be significantly undermined.

This mainstreaming should involve not only harnessing core IA resources for so-called environmental projects. It must also involve fundamental changes in the way these institutions do business in relation to their entire portfolio and program, with an emphasis on integrating global environmental concerns into energy, transport and infrastructure, agriculture and forestry sector loans, as well as broader country assistance strategies.

The Overall Performance Study documents the poor record of the IAs -- particularly The World Bank -- in relation to mainstreaming. Below are some highlights from the Study:

- "with greater focus on the objective, The World Bank could have increased lending for biodiversity conservation compared with the pre-GEF level and ... it could have increased targeted spending on energy efficiency and renewables substantially ...";

- “a [more] serious problem ... is the failure of Bank management to recognize and reward work on GEF as equal in importance to its regular business.”;
- “neither the global environment nor GEF have been integrated systematically into the Country Assistance Strategy process [of The World Bank].”; and
- “UNDP is far from having mainstreamed biodiversity and climate change in their non-GEF portfolio ...” and “The potential for UNDP to leverage shifts in its regular portfolio toward projects with global environmental benefit is enormous.”<sup>4</sup>

Another recent analysis of World Bank Country Assistance Strategies for countries with Bank/GEF biodiversity projects sharpens the concerns outlined by the Overall Performance Study.<sup>5</sup> The environment in general tends to be dealt with in a compartmentalized manner with little integration of key economic sectors. Biodiversity is viewed almost exclusively in relation to this narrow view of the environment, rather than as a concern affecting multiple aspects of national development. Clearly, far greater pressure from the GEF Council and the governing bodies of the IAs is required if mainstreaming is to become a reality.

### **Recommendations**

- *The GEF Council, at its meeting in March 1998, should require periodic, detailed reporting on concrete steps taken by IAs to mainstream the global environmental objectives of the GEF. This should include a requirement for IAs to report within six months of the March 1998 Council Meeting on new steps instituted for meaningful mainstreaming of global environmental concerns into all their operations.*
- *The GEF Council, at its meeting in March 1998, should transmit the Overall Performance Study to the governing bodies of the three IAs and request them to require and document clear progress toward mainstreaming, centered around explicit commitments and timetables for action, including measurable goals.*
- *The GEF Council, at its meeting in March 1998, should require that information on links with all relevant mainstream IA activities -- not just environmental activities -- be highlighted in project documents submitted to the Council for approval.*
- *NGOs are exploring the idea of establishing a new mechanism for dialogue on a regular basis with IAs to address mainstreaming issues related to the global environment.*

### **III. BEYOND THE MONOPOLY OF THREE: EXPANDING THE NUMBER OF GEF IMPLEMENTING AGENCIES**

At present, a monopoly of just three agencies -- The World Bank, U.N. Environment Programme (UNEP) and U.N. Development Programme (UNDP) -- are eligible to

implement GEF projects, although others, including NGOs, are able to serve as “executors” of project components. The Overall Performance Study and the 1994 Independent Evaluation of the GEF both cited problems in maintaining this small IA monopoly.

Put simply, this monopoly impedes the ability of the GEF to successfully fulfill its mission by:

- unnecessarily restricting access to GEF funds by some of the very institutions that are best suited to carry out GEF projects (for example, IAs may not have the necessary expertise or on-the-ground capacity to effectively implement certain projects);
- narrowing the range of types of projects that are likely to be funded under the GEF, based in part on the preferences of the three IAs, sometimes with adverse impacts on responsiveness to country needs; and
- preventing some very high-quality projects from being presented for approval in GEF work programs.

These points highlight the finite capacity of existing IAs to develop, review and implement quality projects, and suggest a need to bypass this bottleneck by developing mechanisms to increase capacity for promoting good projects. Expanding the IA monopoly could help to address these fundamental problems, and help transform the GEF into a true “marketplace of ideas, innovation and implementation,” where the best project ideas, the most promising innovations and implementers with genuine comparative advantage are given the consideration they deserve. In addition, expanding the number of IAs could stimulate increased involvement in the GEF process by critical stakeholders, including NGOs, community based organizations and the private sector, whose effective participation has been stressed in the Project Lessons Study.<sup>6</sup>

## **Recommendations**

- *In response to the recommendation in the Overall Performance Study, the GEF Council, at its meeting in March 1998, should set in motion a process to “explore the expansion of the present set of IAs to include selected multilateral institutions and nongovernment agencies...”<sup>7</sup>*
- *To set this process in motion, the GEF Council should establish a special Implementation Task Force, with balanced representation of governments, NGOs and intergovernmental organizations.*
- *The terms of reference for the scope of this Implementation Task Force could cover, for example, the following areas:*

- *incremental approaches, such as expanding the number and capacity of IAs to include NGOs in a first stage, and other types of institutions, such as other IGOs, in later stages;*
- *mechanisms to facilitate involvement of the private sector;*
- *mechanisms to minimize transaction costs;*
- *mechanisms to help ensure that expansion does not dilute the commitment of the GEF to its ten operational principles, and does not diminish the effectiveness of the existing IAs;*
- *mechanisms to help ensure that additional IAs are accountable for project quality; and*
- *a set of rigorous criteria for becoming an IA, including some type of accreditation system.*

#### **IV. ENHANCING THE LEVERAGING AND CATALYTIC ROLE OF THE GEF**

##### **1. Catalyzing Great Coordination and Synergies Among Funding Institutions**

There is broad consensus that greater coordination and cooperation is needed among multilateral and bilateral funding agencies financing activities with global environmental objectives. Close working relationships between the GEF and these other funding agencies are essential in order to maximize the effectiveness of the total donor community effort related to the four GEF focal areas. Closer coordination amongst the three existing GEF IAs appears to be developing, as they start to use GEF Operational Programmes as a basis for their own mainstream programming.<sup>8</sup> This could be valuable, provided that the Operational Programmes represent an appropriate response to the issues in question.

The issue of agricultural biodiversity provides a useful illustration of the need for enhanced coordination. The GEF's ability to support the full range of actions needed to conserve and sustainably use agricultural biodiversity will be limited by both its mandate (restricted to incremental costs and global benefits) and its limited funding. Mainstream development assistance action will be needed to support agricultural biodiversity strategies.

The GEF could become a mechanism to catalyze and support better funding coordination and cooperation in the four focal areas. Already, it has at least begun to serve this function for the three IAs, and has helped leverage funding from bilateral and other funding sources to support GEF work programs. In this regard, the Overall Performance Study states, "GEF should regularly review and compare its own portfolio and project pipeline with those of other institutions to ensure that it is either providing significant additional resources or demonstrating a comparative advantage over other institutions involved in the same activities."<sup>9</sup>

## Recommendations

- *The GEF Council, at its meeting in March 1998, should instruct the Secretariat to convene a special meeting to discuss the merits of establishing a new **Funding Coordination Dialogue Process (FCDP)** for the global environment. The meeting, which should include multilateral, bilateral and non-governmental donor institutions, could also address various options for developing such a dialogue process, including convening the process under the auspices of the GEF.*

A FCDP could be designed to help catalyze and support greater cooperation and coordination toward the achievement of the GEF's objectives in the four focal areas. It could address, for example: policy and project coordination, prioritization issues, links among global conventions, identification and dissemination of good practice, and links with the private sector and NGOs.

- *Drawing upon the results of this dialogue, the GEF Secretariat should develop a report -- on options related to a **Funding Coordination Mechanism (FCM)** under the GEF process -- for consideration at a GEF Council meeting in mid-1999, including recommendations for whether such a FCM should be established and, if so, how it might be designed.*

## 2. Leveraging Funding and Change Through Identifying and Expanding the Most Effective Financing Modalities

GEF grants cover many types of financing 'modalities' -- covering grant size categories and types of financing. These include, for example: full project grants, medium-sized grants, small grants, grants to support trust funds, and grants to the small and medium-scale enterprise program.

The GEF now has several years of experience with most of these financing modalities. There seems to be an emerging consensus that some (e.g., small grants program) have worked especially well. Still, none of the GEF evaluations to date have assessed *in-depth* which financing modalities have been most effective overall, and which have been most effective for achieving specific objectives within the GEF's Operational Strategy. Furthermore, only the most limited analysis has been conducted on other financing modality options, such as concessional or contingent loans (to help start projects with negative incremental costs) or debt conversion options. Conducting such in-depth assessments and analyses could lead to agreement on which financing modalities should become higher priorities for GEF programming, with the aim of improving overall GEF effectiveness.

## Recommendations

- *The Council, at its meeting in March 1998, should instruct the **Monitoring and Evaluation (M&E) Unit** within the Secretariat to carry out a one-year, in-depth assessment of which existing GEF financing modalities have been most effective overall, and which have been most effective for achieving specific*

*objectives within the GEF's Operational Strategy. The M&E Unit should also conduct an analysis of other financing modality options.*

The assessment report should include recommendations for possible changes in GEF programming. Issues to be covered in the assessment report could include, *inter alia*:

- **National Environmental Funds (NEFs).** Merits and opportunities for expanding the GEF role in supporting NEFs, including supporting the creation of biodiversity and climate change windows within existing NEFs.
- **Endowments and trusts.** Opportunities to support endowments and trusts to provide, long-term sources of financing.
- **Enterprise Programs.** Opportunities for expanding enterprise programs (including venture capital funds) designed to mobilize greater private sector resources and involvement in the GEF process.
- **Small and Medium Grants.** Opportunities for expanding the small and medium grants programs.
- **Other financing modalities.** Options for other financing modalities that have not yet been employed by the GEF (e.g., concessional or contingent loans to help start projects with negative incremental costs, debt conversion options, micro-credit programs, etc.).

## V. EVOLUTION OF THE GEF: SOME SPECIFIC CONCERNS OF DEVELOPING COUNTRY NGOs

As can be recalled, developing country NGOs strongly opposed the GEF at the time of its creation. For example, South Asian NGOs in a joint statement, rejected the GEF, calling for a Global Reparation Fund to be set up instead. They expressed two major concerns: (i) that the internationally accepted "polluter pays" principle was being converted into a policy of aid, charity and preferential technology transfer simply because liability payments now had to be made across national borders; and (ii) that, ironically, the GEF structure put the responsibility of managing the environment in the hands of the very agencies that helped to precipitate the environment crisis, namely The World Bank.

The restructuring of the GEF in 1994 saw a distinct shift to a reformed system of governance, joint North-South decision making and commitment to leveraging of private finance for more rigorous and effective intervention in addressing environmental issues. The restructured GEF also brought a greater commitment to creating opportunities for more meaningful and effective NGO involvement in the GEF process. It is clear, however, that the restructuring process did not go far enough, and that some critical problems remain, both at the level of the governance of the facility, as well as the operational principles guiding the programs and projects.

**Global vs. Local Problems.** One major concern is that the GEF funds only so called "global environmental" issues -- i.e., ozone depletion, climate change, biodiversity conservation and pollution of international waters. This leaves the South with exclusive responsibility for local problems, and hides the international dimensions of

many of these 'local' problems. For example, the GEF finances mostly site-based biodiversity projects, without supporting work to address adverse biodiversity impacts of international trade. Can the GEF be truly effective in addressing just the direct (proximate) factors in the degradation of the world's environment?

**Global vs. Local Benefits and Incremental Costs.** The GEF operational principles require that funding only be provided to cover costs of activities that benefit the global environment. This focus on "incremental costs" fails to encompass the broader considerations of national policies, program strategies and institutional capacities, often resulting in the GEF misprioritizing projects. Developing countries have found it very difficult to develop appropriate projects within this incremental costs framework. Among other things, this framework encourages purchase of inappropriate technologies from the North and discourages the process of local interests shepherding sustainable development strategies.

**Cost-Effectiveness.** The GEF operational guidelines indicate that projects must be cost-effective. In other words, the goal of greenhouse gas reductions, for example, should be achieved at the least (direct) cost possible. This is problematic in that it promotes large-scale projects over small projects, as cost-effectiveness is often achieved through economies of scale. Large-scale projects have very high social and cultural costs, and information disclosure, public discussion of projects and local capacity-building usually suffer. An example would be the Indian EcoDevelopment Project, which is earmarking \$US 68 million for an unviable, and politically volatile project.

**Decision Making.** Even with the new voting rules under the restructured GEF, there are concerns that the process is still undemocratic and results in "consensus" only on non-issues, and weighted voting (favoring donor countries) on important substantive issues. For decision-making related to project selection and design, most power lies with the national governments. In practice, stakeholder participation in the project cycle has been largely limited to the implementation stage. This is of special concern in the area of biodiversity, where lack of community involvement can result in disempowerment, as well as threats to customary tenure rights and access to natural resources.

**The larger issues.** NGOs have a critical role in ensuring that the GEF plays a constructive role in the broader issues of environment and sustainable development. This constructive role must not be lost in (i) the South's rush to develop GEF projects and leverage private finance; and (ii) efforts to bring a large number of private sector interests into the GEF process as IAs, particularly given the poor records of many transnational corporations (e.g., in disempowering local communities and the poor). In this regard, NGOs will need to continue advocating for more accountability of macro institutions, open and transparent mechanisms and policies, as well as innovative ways to link local issues with global priorities.

## Recommendations

- *The GEF Council should examine the need to increase the number of focal areas and operational programs, to cover areas of particular importance to developing countries, such as: afforestation, land degradation and desertification.*
- *The GEF Council should adopt a “flexible approach” to incremental costs that allows for some funding of national priority projects with national benefits.*
- *The Participants Assembly should call for a broadening of the GEF concept, to include (i) some type of liability component based on polluter pays principles; and (ii) an expansion of the GEF Implementing Agency arrangements beyond the current monopoly of three.*

## VI. THE ROLE OF NGOs

The GEF is a unique international mechanism promoting partnerships to address global environmental issues. One of the most important of these partnerships is with non-governmental organizations (NGOs). The GEF Instrument and Operational Strategy explicitly recognize the key role of NGOs in the GEF process,<sup>10</sup> and NGOs have been active players in the GEF process since its inception. Additionally, the GEF is the only international funding institution that earmarks resources specifically for consultation with the NGO community. The GEF partnership with NGOs covers three broad areas of activity: (i) policy development (around the GEF institutions and at the national level); (ii) project preparation and execution; and (iii) outreach.

- (i) **Policy development.** NGOs have taken a leadership role in putting forward constructive proposals for policy and institutional reforms to strengthen the effectiveness of the GEF. For example, NGOs played a key role in the working group convened by the GEF Secretariat to design and implement the Medium-Sized Grants program. Additionally, NGOs have provided substantive input into the development of the GEF Operational Strategy and Operational Programmes, along with substantive contributions to M&E activities.
- (ii) **Project preparation and execution.** Direct NGO involvement is indispensable to the success of GEF projects. In a recent analysis of 97 full GEF projects (mostly pilot-phase projects) conducted by the GEF Secretariat, NGOs were directly involved in the development and implementation of nearly 20% of these projects (with a total of about \$100 million allocated to NGOs). Nearly all of the 973 projects under the GEF Small Grants Program (SGP) are being executed by NGOs, and it is expected that a significant percentage of medium-sized grants (MSGs) will involve NGOs as project executors.
- (iii) **Outreach.** NGOs have undertaken extensive outreach efforts to publicize the GEF process, specific GEF projects and—more generally—environmental



problems being addressed by the GEF. These outreach efforts have contributed significantly to mobilizing broader constituencies to support the GEF process, and raising public awareness of global environmental threats. Arguably, NGOs are more experienced and better placed than any other sector in carrying out effective public outreach activities around the GEF and global environmental issues.

NGOs represent the diversity of civil society, including, for example: community-based organizations, grassroots groups, academic institutions, research centers, advocacy groups, organizations of indigenous people, local and national associations, and regional and international organizations, among many others. Although NGOs differ with regard to their philosophies, perspectives, levels of influence and potential, they share many of the same objectives: sustainable development, environmental protection and meaningful public participation.

While in some cases NGOs have enjoyed meaningful participation in policy development and project preparation and execution, NGOs have often been disappointed with GEF decision-making processes. For example, many of the recommendations from the NGO community for strengthening the GEF process over the years have not been given adequate consideration. Nevertheless, many of these recommendations have been confirmed.

On a related front, some projects approved by the GEF Council create serious problems for local NGOs and local communities. In 1994, The World Bank's Inspection Panel was established and serves as a recourse mechanism for communities that have been negatively affected by World Bank projects (including GEF projects) that have not complied with Bank policies and rules. Unfortunately, very few communities and NGOs are aware of this mechanism; much better outreach and dissemination efforts are necessary. It is worth noting that no such accountability mechanism currently exists for the U.N. Development Program, another implementing agency for many GEF projects.

## **Recommendations**

- *The GEF Council, at its meeting in March 1998, should instruct the Secretariat to significantly strengthen and broaden its NGO liaison functions, including taking specific measures to: create opportunities and solidify mechanisms to facilitate NGO input into policy and strategy papers, evaluations, draft work programs for proposed projects and other major documents;*
  - *expand and systematize outreach to host governments, other units in the GEF Secretariat and GEF Implementing Agencies (IAs) designed to enhance constructive NGO participation in project cycles and policy-related processes; and*
  - *explore options for some type of "ombudsman" function within the Secretariat for NGOs that wish to register inquiries or concerns regarding GEF projects.*

- *The GEF Council should instruct the IAs to establish or strengthen special dialogue processes with NGOs regarding specific project and policy concerns.*

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<sup>1</sup> GEF. *Partners in Global Solutions*, 1991.

<sup>2</sup> GEF Instrument, para. 20(b).

<sup>3</sup> The approved Corporate Business Plan for Fiscal Years 1999-2001 states that "... the Implementing Agencies will ... further mainstream global environmental concerns ... into their regular operations."

<sup>4</sup> GEF Overall Performance Study, paras 218, 220, 229 and 251, respectively.

<sup>5</sup> BirdLife International. *The GEF and Mainstreaming Biodiversity in the World Bank*. Forthcoming.

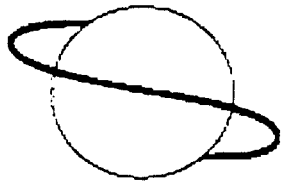
<sup>6</sup> Project Lessons Study, para. 2.

<sup>7</sup> GEF Overall Performance Study, para. 312.

<sup>8</sup> GEF Corporate Business Plan FY99-01, para. 34.

<sup>9</sup> Overall Performance Study, para. 44.

<sup>10</sup> GEF Instrument, pp. 14 and 29; GEF Operational Strategy, pp. 6 and 20.

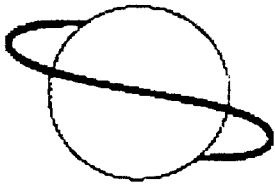


# Global Environment Facility

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## INFORMATION NOTE

The Non-Governmental Organization (NGO) focal points to the GEF, in consultation with members of their networks, have prepared a draft paper entitled "The GEF in the 21st Century: A Vision for Strengthening the Global Environment Facility." The final version of this document, including a list of NGO endorsements, will be circulated at the Assembly. This paper is being sent in advance to government and international organization representatives for their information.



# Global Environment Facility

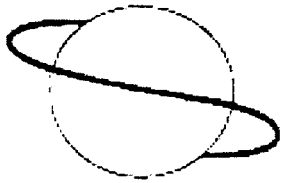
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Please note that the following events of interest to NGOs will be taking place **before** the Assembly:

- March 28 - NGO preparatory meeting - 9:30 a.m. to 5:00 p.m.  
India Habitat Centre  
Core 6A  
Lodi Road  
New Delhi  
Contact: Neena Singh, Centre for Science and the Environment  
Tel: 91-11-698-1110
- March 29 - NGO Consultation (open only to NGO representatives accredited to the GEF, along with government and intergovernmental organization representatives) - 9:00 a.m. to 6:00 p.m.  
Vigyan Bhavan  
Maulana Azad Marg  
New Delhi  
Contact: Alexandra Bezeredi, GEF Secretariat  
Tel: 202-458-5055 (after March 20, I will be at the Meridien Hotel in New Delhi, Tel: 91-11-371-0101)



# Global Environment Facility

Revised text  
March 26, 1998

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## REPORT ON GEF FY98 ESTIMATED MID-YEAR EXPENDITURES

*Note: This report was transmitted to Council Members for decision by mail on February 19, 1998. Unfortunately, the Secretariat did not receive the required number of responses to approve the mid-year budgetary revisions proposed in the report. The Council is invited to consider this matter at its meeting, March 30-31, 1998.*

**RECOMMENDED COUNCIL DECISION**

The Council reviewed and takes note of the *Report on GEF FY98 Estimated Mid-Year Expenditures*. The Council approves the mid-year budgetary revisions proposed in the report concerning the monitoring and evaluation component of the Secretariat budget, including the release for use in FY98 of the unspent funds approved for monitoring and evaluation activities in the FY97 budget, and an increase of \$169,000 to cover the cost of preparing the Study of GEF's Overall Performance.

## REPORT ON GEF FY98 ESTIMATED MID-YEAR EXPENDITURES

### OVERVIEW

1. This document presents a mid-year status report (as of December 31, 1997) of estimated expenditures for the six GEF entities for fiscal year (FY) 1998.
2. In May 1997, the Council approved a FY98 corporate budget for GEF of \$37.0 million. In November, the Council approved an addendum to the FY98 budget of \$1.3 million to cover the costs associated with the GEF Assembly.
3. Table 1 shows the mid-year estimated and projected year-end expenditures for each of the six GEF entities: UNDP, UNEP, World Bank/IFC, STAP, Trustee, and Secretariat. (The budget for monitoring and evaluation activities is included in the sum shown under the Secretariat's column.) Mid-year expenses may come in below the mid-point of the budget for the first half of the fiscal year because this period includes the summer months when staff typically take leave and programming is slow. The bulk of the commitments usually occurs in the second half of the year. Table 2 shows the mid-year and end-year projected operational outputs for the 3 Implementing Agencies. As can be seen, the projected outputs are generally in line with the number planned in the FY98 budget paper. As with last year, each entity continues to apply the principle that any budget savings resulting from operational underruns will be returned to the GEF Trust Fund at year's end. The following paragraphs give the status of each entity's FY98 work program and associated budget as of mid-year and for the remainder of the fiscal year.
4. One major budgetary adjustment sought in this report is for monitoring and evaluation activities to cover additional costs incurred in FY98 due to the expanded scope of the Overall Performance Study, including the costs associated with the senior advisory panel. Further details are provided in paragraph 10 and in Annex 1.

### MID-YEAR STATUS OF WORK PROGRAMS AND BUDGET

#### 5. UNDP

**Work Program.** UNDP's projection in the May 1997 budget document was to deliver a work program of \$90-110 million. As of mid-year, UNDP GEF had 10 long-term projects and 30 enabling activities in the approved work program for a total of \$66.5 million. UNDP also received approval for 10 PDFs with total GEF financing of \$3.2 million. By end-year, UNDP estimates approval of an additional 9 projects (totaling \$28-32 million), 5 medium-sized projects (totaling \$5 million), and 12 enabling activities (\$3 million). It also expects to prepare approximately 20 PDF-

B proposals totaling \$7 million for approval before the end of the fiscal year. Based on the pipeline of projects now being prepared for Council approval in the second half of FY98, it is anticipated that the work program target for the year will be met.

During the first half of FY98, 43 projects and 15 PDF-B grants which were approved by the Council or CEO in previous fiscal years were processed for final approval. In addition, a total of 130 projects will be under implementation/supervision over the course of the year. Nine projects from the Pilot Phase will be completed and will enter the final evaluation phase. Also, the Small Grants Program portfolio currently includes some 750 individual projects.

**Budget.** On the basis of the above work program projections, UNDP expects that the FY98 work program mid-range target of \$100 million will be met and the administrative budget fully utilized. As mentioned in the FY98 corporate budget document, depending on project size, deliverables at the mid-range of UNDP's projected \$90-110 million work program may require a supplemental budget increase during FY98.

## 6. UNEP

**Work Program.** UNEP's original FY98 projection in the May budget document was to deliver a work program totaling approximately \$27 million. As of mid-year, UNEP had delivered 1 long-term operation, 2 medium-sized projects and 9 enabling activities (2 in biodiversity and 7 in climate change respectively) totaling approximately \$12.5 million. In addition, 4 projects implemented jointly with the other implementing agencies were approved during the first half of the fiscal year amounting to a total work program of \$16.3 million. Three PDF Bs approved during the current fiscal year amounted to \$0.7 million.

UNEP anticipates that the number of projects which will be approved in the second half of FY98 will amount to approximately \$10 million.

UNEP has 11 projects and 37 enabling activities currently under implementation totaling \$33.95 million. In addition, 4 projects (\$16.7 million) are under preparation for CEO endorsement.

**Budget.** UNEP's projected year-end expenditures are expected to remain within the \$2.1 million budget approved by the Council.

## 7. World Bank/IFC

**Work Program.** The World Bank GEF anticipates a work program shortfall of 10% in the delivery of projects for Council approval. This shortfall is directly caused by the GEF Council deciding to advance its 1998 spring meeting from May to end-March. The Bank therefore



anticipates an underrun of about \$0.8 million in its \$19.22 million budget due to the projected shortfall in project delivery and anticipated savings in project processing costs.

Operational Programs. The World Bank is expecting to deliver \$238 million for GEF Council approval in FY98, or \$31 million short of its targets for long- and short-term operations of \$269 million. At least two projects for approximately \$30 million had to be deferred to the next GEF Council review in July due to the early end-January deadline for finalizing project documentation for the end-March Council meeting. Another 2 projects were converted to medium-sized projects in the later stage of the projects. The average size of projects approved thus far by the Council is \$9.3 million as compared to the planned \$10 million. Average project size is expected to increase to \$11 million with the remaining projects to be approved by end FY98.

Medium-Sized Projects. As of mid-year, the Bank has received approximately 60 project proposals and has given eligibility clearances to process over 20 projects, of which one project has been approved by the CEO for \$0.74 million. It is estimated that the Bank will exceed its planned delivery of 8 medium-size projects and expects to deliver at least 10 projects for approximately \$7 million, which includes the 2 converted projects mentioned above.

Enabling Activities. The Bank had originally planned to process 10 enabling activities through CEO approval. In the first half of the fiscal year, 2 enabling activities were approved and 7 more are under preparation for an estimated total of 9 enabling activities for FY98.

Bank approval commitment. The Bank expects, as originally planned, to approve and commit resources for 20 GEF projects, of which 6 have been approved by the Bank/IFC Board of Directors Management as of December 31, 1997. The remaining 14 projects are scheduled to be approved in the second half of FY98.

Project implementation and disbursements. The estimated number of projects under supervision in FY98 remains unchanged at 79 projects. The cumulative Bank GEF disbursements through December 31, 1997 were \$290.3 million, including PDFs and enabling activities. The projected disbursements for FY98 are \$58-105 million. Actual disbursements for the first half of FY98 were \$48.5 million or 46% of the projected higher end of total disbursements for the year.

Project evaluation. The preparation of the evaluation report on 5 Bank GEF projects is on track. One project evaluation report was completed in December 1997 and the evaluation of the remaining 4 projects will be combined in one report and completed by year end.

**Budget.** Of the Bank's FY98 budget of \$19.22 million, \$8.3 million, or 46% of the budget had been utilized as of mid-year. It is projected that the Bank will underrun its budget in an amount equivalent to the number of undelivered projects for Council approval for FY98. The estimated underrun for this underdelivery is \$0.3 million. This underrun could have been larger except that expenses have already been incurred for the 2 projects which missed the early March Council

deadline and for the 2 projects which were converted to medium-sized projects. Furthermore, a review of the Bank's FY91-96 cost coefficients in processing GEF projects through approval by the Bank's Board of Directors showed a decline from 65 staffweeks to 60 staffweeks per project. Although the FY97 coefficients were higher, the Bank estimates that the final FY98 coefficients would be closer to the FY91-96 average. This decline could potentially result in cost savings of \$0.5 million in FY98. Consequently, the total Bank GEF budget underrun may be as much as \$0.8 million by year end. The actual underrun will, however, depend on the experience gained during the fiscal year in processing the new medium-size projects recognizing that additional budgetary resources may be needed to cover increased volume and/or costs to prepare this new project type.

#### 8. STAP

**Work Program.** STAP will deliver all the output in the work plan, i.e. selective reviews, STAP workshops and the demand for STAP's advice and input on issues identified by the Implementing Agencies and the GEF Secretariat.

**Budget.** STAP's FY98 projected expenditures are expected to remain within the budget approved by the Council in April 1997 with the exception of the budgetary allocation for meetings, due to the costs incurred by STAP for the running and organizing of the STAP expert workshops on sustainable use of biodiversity, STAP workshop on energy technology innovation and technology transfer and the STAP workshop on emerging technologies in the field of international waters. These overexpenditures are likely to be balanced by savings on other budget lines.

#### 9. Trustee

**Work Program.** The Trustee's outputs and work program for FY98 are anticipated to be as presented in the FY98-00 Business Plan with the main emphasis of the work program on preparation of replenishment documentation and replenishment negotiations in collaboration with the Secretariat.

**Budget.** The Trustee estimates that year-end expenses will be within the budget of \$.838 million for FY98.

## 10. Secretariat

**Work Program.** The Secretariat's outputs for FY98 are in line with those presented in the FY98-00 Business Plan, and expenditures for the first half of the fiscal year are within the approved allocation. The Secretariat coordinated the preparation of 3 work programs in the first 6 months of the year including 2 intersessional mailings in July and December (worth \$60.5 and \$50.4 million respectively) and a November work program totaling \$100.8 million. During the first half of FY98, special emphasis was placed on ensuring adequate staff representation at meetings such as the Third Session of the Conference of the Parties of the UN Framework on Climate Change in Kyoto, in connection with which the Secretariat organized various outreach activities, including two workshops during the Conference. The Secretariat also organized and funded GEF project presentations for the July/August meeting of the SBI of the FCCC in Bonn and for the November Council meeting. Work is continuing on expansion and enhancement of the corporate GEF project database, with the goal that it will become fully operational in March 1998. In addition to the November Council meeting, the Secretariat organized 2 replenishment meetings in September and November 1997 and also convened the first GEF-wide retreat. Survey results from the retreat indicated that participants felt that it should become an annual event.

During the early part of the second half of FY98, it is anticipated that the replenishment negotiations will be finalized, with the final meeting to be held in February 1998. Preparations for the GEF Assembly will be a high priority for Secretariat staff during the second half of the fiscal year. An Assembly team, including representatives from the implementing agencies, has been formed to prepare the meetings, including logistics, organization of panels, workshops, media events, exhibitions and NGO activities. Towards the end of the fiscal year, the Secretariat will participate in the Fourth Meeting of the Conference of the Parties to the Convention on Biological Diversity in Bratislava.

Monitoring and Evaluation (M&E) Unit. It is projected that the M&E outputs for FY98 will be largely as presented in the FY98 Corporate Budget document (GEF/C.9/4). By January 1998, the 3 major outputs of the program which have been finalized are (i) Study of GEF's Overall Performance; (ii) Project Implementation Review of GEF for FY97; and (iii) Study of Lessons Learned. The work on monitoring systems and databases has led to further identification of data requirements and extension and systematization of reporting formats for the GEF portfolio. Steps have been taken towards identifying a set of monitoring and evaluation guidelines for GEF projects and work will be intensified during the coming months. Work has also begun, in cooperation with the interagency task force, on developing joint program indicators in biodiversity. Currently, a concept paper on Evaluation of GEF's Project Preparation and Planning is being drafted, and an Evaluation of Biodiversity Trust Funds is under preparation.

## **Budget.**

Secretariat. The Secretariat estimates year-end expenditures to be within the approved budget of \$6.10 million for its core activities. As of mid-year, the Secretariat anticipates some cost savings in its core program due to several positions which became vacant during the course of the first half of the fiscal year. These savings will be used to cover some of the costs associated with the Secretariat's participation at the Kyoto FCCC meeting in December 1997, including translation of GEF documents and the "Keeping the Promise" video into Japanese and purchase of a GEF display. Other budgetary savings have been allocated to preparation of short "fact sheets" on GEF projects in all 4 focal areas, preparation costs associated with publications on global environmental issues, and ongoing efforts to strengthen the GEF project database which have required the hiring of outside expertise in database programming and training. As a result of the savings associated with the unfilled positions, the Secretariat was able to fund the conference center costs (meeting rooms, equipment, meals) for the first GEF Inter-Agency retreat in Baltimore in September 1997.

Monitoring and Evaluation. Expenditure and budget figures for coordination and program activities for FY97 and FY98 are presented in Annex 1. This table includes expenditures for FY97 and original and revised budget estimates for FY98. The M&E unit had a significant budget underrun in FY97 of \$356,000 (GEF C.10/Inf.5) which was due to the delay in the recruitment of long term staff for the M&E team, a longer than expected planning time for studies at the country level and the fact that expenses which were incurred in late FY97, but not paid by the Trustee until early FY98, were charged to FY98. The unspent study resources from FY97 are now required in FY98 in order to complete the approved activities and studies. The table in Annex 1 provides a draft revised budget for FY98. The primary reason for the budget increase is related to the Study of GEF's Overall Performance which has expanded considerably. In addition, there was a larger effort on publication, translation and dissemination than originally envisaged. The reports turned out to be longer and the demand for copies much greater than anticipated. As the study was being designed, increasing demands to include new issues were raised by the Council. At the encouragement of the Council, the M&E Coordinator convened a Senior Advisory Panel, comprised of 8 persons from developing and developed countries, which met on 3 separate occasions. At its May 1997 meeting, the Council decided that the CEO would report on these costs in the mid-term review of the budget and seek additional resources if necessary to cover the cost of convening the Panel. In order to complete the FY98 M&E work program, as detailed in Annex 1, the unit will require the release of the unspent FY97 funds (\$356,000) and an additional \$169,000 to cover the final costs of the Overall Performance Study and Senior Advisory Panel.

**Table 1: GEF Estimated Year-end Expenditures - FY98 (revised)**  
(in US\$ thousands)

FY98	UNDP	UNEP	BANK/ IFC	STAP	TRUSTEE	SECR*	TOTAL
Council Approved Budget*	6615.0	2106.0	19220.0	1161.0	838.0	7069.0	37009.0
Midyear Estimated Actuals	3250.0	1220.0	8300.0	590.0	375.0	4366.0	18101.0
End-year Estimated Expenditures	6615.0	2106.0	18400.0	1161.0	838.0	7594.0	36714.0
Difference	0	0	320.0	0	0	(525.0)	295.0

\*Includes adjustment documented in Council decision to add \$60,000 to core Secretariat budget to cover 2 replenishment meetings and \$50,000 to M&E budget to provide for an additional fixed term position. Total does not include addendum of \$1.3 million approved in November 1997 for the GEF Assembly.

\*\* Includes Monitoring and Evaluation budget of \$960,000; Core Secretariat budget of \$6109.0

**Table 2: FY98 Operational Outputs to Work Program (millions)**  
(projections as of mid-year)

	Planned	Midyear Actuals*	Projected Second half FY97	Projected Total
UNDP	90-110	66.5	23.5-43.5	90-110
UNEP	27.0	16.3	10.0	26.3
World Bank	275.0	121.2	124.3	246.0

\*Includes projects submitted in January 1998