



GLOBAL ENVIRONMENT FACILITY (GEF) NGO CONSULTATION

JUNE 11, 2007

**The World Bank, H Auditorium,
600 19th Street, N.W. Washington, D.C.**



1.0 Opening Remarks by Co-Chairs: GEF Secretariat and GEF NGO Network

Rex Horoi, Executive Director of FSPI, Fiji and Network and Alaa Sarhan, Senior Institutional Officer/NGO Coordinator, Corporate Affairs, representing the GEF Secretariat, chaired the GEF NGO Consultation.

Rex Horoi delivered the following speech:

Good morning ladies, gentlemen, members, associates and friends. It is a pleasure to be with you all today.

We have gathered together to look with positivity and creativity at diminishing negative impacts on the environment arising from the way the human race lives and works globally. It would appear to some that our mission is a very difficult one. It is indeed. But when we consider what one of our colleagues in development, Muhammad Yunus, wrote in his book “Banker to the Poor”, we can begin to understand what one committed individual can do to affect the lives of many, even in the face of overwhelming odds and much negativity. Mr Yunus has helped millions of people to emerge from stark poverty, starting with just one.

We are many, and have global representation here in this room. If we work together, drawing on each other’s strengths and creative, positive energies, there is no limit to what we can achieve. We can move the GEF and its supporting structures towards our ideals, not just towards what we know are the realities and business as usual.

Today, and this week, the GEF NGO Network will move on issues of strategy and action planning. We are also pleased to report that elections for Regional Focal Points (RFPs) have taken place. Those elected are here today and could they please introduce themselves.

After the new members have introduced themselves, could we please go around the room for all other participants to introduce themselves.

May I make one other request for the conduct of the meeting today . . . when participants speak during the meeting, please identify yourself by name and organization prior to speaking. Thank you.

With these brief comments, I again welcome you all, and look forward to a productive, positive consultation today.

Thank you.



The session opened with a brief introduction of the agenda items and introductions from participants.

2.0 Question and Answer Session with GEF CEO and Chair, Ms Monique Barbut

After a few introductory remarks, Rex Horoi welcomed Madame Monique Barbut, CEO, and GEF and invited her to address the consultation in the question and answer session.

Madame Barbut emphasized that success would depend on partnerships that we are able to forge. When the council meeting opened, she undertook to spell out the status of the reform agenda, which began in November 2006. At this juncture, she emphasized that the GEF NGO Network would be required to be part of this reform, as this revitalization would have direct impact across the board.

She made reference to the refurbished Small Grants Program (SGP) as one of the three flagship programs following the GEF's shift to a more strategic programmatic approach. The new guidelines allow for two big innovative changes, firstly more countries will have access to SGP and, secondly, the new transparent approach will allow for graduation and reclassifications of countries with more Resource Allocation Framework (RAF) allocations. As part of a drive to achieve effectiveness, the GEF NGO Network will prepare a paper to define NGO engagement in GEF and identify options. GEF would like to have a better understanding of NGOs, including the execution of a number of medium-sized projects.

Monique was optimistic that GEF would benefit from more active involvement of NGOs. Regarding climate change mitigation, she noted that China had already indicated its willingness and had been invited to join. There was a civil society campaign which would culminate in an event in this regard. Turning to climate change and adaptation, she outlined that the challenge to NGOs was to engage governments to take concrete action, particularly at Bali to solve the issue of adaptation. In the area of biodiversity, she highlighted that SGP had a global grassroots campaign based on the biodiversity initiatives and encouraged the GEF NGO Network to forge partnerships with SGP. She hoped this consultation would lead to more collaboration between the network and SGP.

She emphasized that GEF staff and management would be available to assist the Network in any way. In concluding, Monique acknowledged the presence of UNEP Executive Director Achim Steiner highlighting their long history of working together, particularly in the NGO field. She expressed hope Achim would be afforded the opportunity to address the consultation later on.

The floor was then opened for questions.



Plenary Discussion

Question 1

Ermath Harrington acknowledged the CEO's statement on the new strategy to boost environmental funding for Pacific Ocean Island States and support for this type of programming as a tool for effective delivery of resources to the Pacific SIDS and not an extra layer of bureaucracy. He asked Monique to elaborate on the strategy. Ermath also requested that NGOs and CSOs be included in the consultation to be held at regional and national levels.

Question 2

Djim Nanasta noted that the two key areas in the climate change section of the focal point strategy were climate change and mitigation and wanted to know where adaptation came in.

Question 3

Faizal Parish welcomed the invitation to consider partnership with GEF on climate change issues but questioned the "business as usual" approach in the Focal Area paper for GEF4 with industrial energy efficiency projects and no new funds allocated for adaptation. This was despite the fact that the UNFCCC and most recipient countries have highlighted the importance of addressing emissions from LULUCF and adaptation to climate change. What therefore is the vision of the CEO for future climate change funding?

Response from Madame Monique Barbut, CEO & Chairperson GEF

In relation to the Pacific and SIDs she responded that since the strategy had been implemented last year, the GEF had contacted ambassadors of the Pacific countries and proposed that the same be done for the Caribbean. She, however, explained that everybody was putting RAF allocations into the pot and that there had been some resistance on how the money should be shared, particularly from the Caribbean. But she was happy to note a change of heart on the part of the Caribbean, since the introduction of the program.

Monique told the meeting that during a preparatory meeting held in Samoa, which called for co-financing, the Caribbean was very eager to be part of it. "After putting together teams constituting Executing and Implementing Agencies, a lot of core funding was mobilized and the program will be ready to be presented to council in April next year together with all the sub-projects that will go with it," she said. Sixteen countries had already agreed to be part of it. She added that GEF was putting into this program \$80-100 million, a six-fold increase over previous allocations. "It is a regional approach for national projects," she said.

"Regarding the Climate Change Strategy for GEF4, firstly what you are saying makes me happy and explains why we cut the pipeline last December 2006. We could not talk about



LULUCF since there are projects and we do not want to spread ourselves too thin. There is no problem in exceeding the US\$900 million, as long as more contributions come in. It all depends on the reaction of developing countries. It is all very well to have new ideas but this must be matched with new money and second agreements by developing countries.

“We want GEF to involve itself in programs it can finish. For instance, why not say by 2010 there will be a world ban on non-efficient light bulbs by countries like China who use 70%? Just a simple measure like this can help countries put the right regulations in place. This will also help them to adopt social measures so that the poor are not victims of costs. We start something like this and we have a solution.

“About adaptation, yes we do not foresee any money for adaptation. Firstly, there is zero demand on the trust fund and, secondly, the UNFCCC already has an adaptation fund. It is time that people take a decision at the next Conference of Parties (COP) in Bali. How can we convince donors to put their money in adaptation when at the same time they throw it back year after year for no valid reason? Everybody has to act responsibly as there is no time to engage in complicated negotiations”.

Question 4

It is apparent that GEF funds need to have a more balanced distribution. How can we begin to mobilize the funds to rebalance the different sectors?

Response from Madame Monique Barbut, CEO & Chairperson GEF

“If you remember correctly, we have frozen 5% of the RAF for regional and global projects. This 5% is not linked to the demands of developing projects because there are global projects. This will allow GEF to start working on a methodology. We are talking about new fields, not concrete projects, but methodology. We can also always use land degradation funds as we have a margin to manoeuvre. After that we will accept requests from countries for concrete identification of projects. In April 2008, we are going to take stock to see which projects we want to implement for GEF4. We have refused until now to open more than the first two years of financing.”

Question 5

Rajen Awotar wanted an update on GEF’s plans to publish a document on public participation and how it will work. Do you have any idea on its present status?



Response from Madame Monique Barbut, CEO & Chairperson GEF

Monique was unsure about this but questioned whether its intention was to enhance the status of NGOs, emphasizing that there had been no change in the GEF's Public Information Policy. "However, I do agree that because of RAF we will have to change certain modalities of this document to make sure that maybe by December we can present to Council a new communication strategy. On the question of enhancement of NGOs, if you mean to become Council members, if you can find a new way to work together, I do agree with an open mind. I have no idea what is in the GEF NGO Network Strategy and Action Plan and am curious to find out," she said.

Question 6

Yabanex Batista interjected that while NGOs welcomed the reduction of the project cycle to 22 months, there was no guarantee that this would eliminate some of the delays that had become synonymous with the system. "We know and recognize that GEF has set up a process, but we question that with the limited capacity of GEF it may be difficult to confer with 177 countries every four years."

Question 7

Felipe Villagran stated that the majority of Network members supported the new reforms and recognized that with these came risks and the need for innovation. "We are working very hard on a paper for the GEF NGO Network which will come with innovation. My question is what is the role of the 'Ombudsman'? I understand that this position will be responsible for conflict resolution. Will this replace the investigation unit? Can NGOs interact with the 'Ombudsman' and, if so, how?"

Response from Madame Monique Barbut, CEO & Chairperson GEF

"The 'Ombudsman' will not replace anything, but will make sure that countries, NGOs and others who want to raise complaints about a project cycle being too long or the status of a project will be attended to. This will give the CEO the required support in responding to such issues. It will ensure that a simple rule such as the CEO responding to a letter within a week will be attended to. It is simply a mechanism to improve the relationships of the GEF with people, its constituencies and all other stakeholders. This did not exist before. It will assist the GEF Secretariat exercise to talk to all 177 countries every two years.

"The project cycle is clearly saying to countries taking their time to develop your own projects. The good thing about the RAF is that the money belongs to the country, it is not allocated on a first come first served basis and countries must feel comfortable about projects they bring to the GEF. This will, in fact, speed things up. NGOs should be careful of the 22 months rule, because it will be applied. The remaining money will be put into a basket for use by other countries.



Question 8

WWF asked whether there would be an opportunity in Bali to raise the profile of GEF to manage the UNFCCC adaptation funds.

Response from Madame Monique Barbut, CEO & Chairperson GEF

“We have new types of people, some in country and others on the negotiation side. If we talk about the adaptation fund, 53 African states and the Pacific Islands have given written consent to have the adaptation fund hosted by GEF. Many developing countries have a problem with the GEF as they see it as an institution created in 1992 with no little or no capacity for dynamic change, as we are seeing now. They expect to see adaptation being financed by other sources so they are reluctant to make demands on that fund. There is also donor fatigue.”

Monique also expressed fears that the donor meeting to be held on Friday might not produce the desired results and the biggest victims would be those countries, which badly needed adaptation funds, specifically African countries and SIDS. “Everybody must now face the consequences for countries which resist GEF,” she said.

Question 10

Khadija Razavi asked the CEO to provide an update on the SGP graduation process and the 30 new country applications. How does the GEF envisage financing these new entrants from both GEF and non-GEF sources and how does the GEF plan to safeguard its investment in the countries that would graduate in 2010? Are full-sized projects going to be assessed in terms of cost efficiency, effectiveness and relevance with the same diligence as SGP is now being assessed?

Response from Madame Monique Barbut, CEO & Chairperson GEF

“The cost effectiveness has been discussed with Implementing and Executing Agencies and there is something very particular about this. Countries, which are going to graduate, should culturally celebrate by opening a bottle of champagne; it is something to be proud of and means that they are achieving their goals. India is one of these countries. However, GEF would like countries that have graduated to keep within the GEF orbit so they can have access to other products. For example, India is already thinking about the next product.

“Regarding new countries, they will start small, nobody is going to start with US\$5 million for GEF4. Throughout its history, SGP has not had as much money as it has in GEF4. Globally, the envelope does not seem large; in GEF3 for they had US\$50 million for the first year and US\$60 million during the second. In GEF4 the total funds amount to US\$128



million for three years plus any contributions the countries make from RAF. The number of countries has increased. In the second half of GEF4 there will be more opportunities.

Rex Horoi, the co-chair, thanked Madame Barbut for her valuable time, her insights and for clarifying a number of issues. He complimented her for bringing to the GEF a new dimension that will transform GEF into a true learning institution. He was pleased to learn of the substantial progress and inroads GEF had made under her dynamic and innovative leadership and hoped this was the beginning of better things to come. On the part of the GEF NGO Network, he said members were looking forward to matching this dynamism and creativity in their Strategy and Action Plan and looked forward to discussing this with the GEF Secretariat.

3.0 Focal Area Strategies and Strategic Programming for GEF4

Peter Bjornsen, Senior Policy Officer, Operations and Business Strategy, GEF Secretariat, presented an overview of focal strategies for GEF4. He was joined by several of his colleagues working on the focal area strategies.

By way of background, Peter advised the consultation that this document went as far back as the negotiation for replenishment for the trust fund. They had been working on the drafts presented to Council in December 2006. The Council requested revisions in terms of three areas: (i) a limited set of priorities and visible impact from interventions, (ii) stronger focus on results and (iii) more synergies between focal areas.

Outlining the process, he informed the consultation that five technical advisory groups had been set up adding that the advisory groups' strategy was to look at crosscutting issues. These groups also comprised external technical experts, STAP members and the GEF Secretariat. The GEF Secretariat did the final editing.

The general pattern when trying to define the long-term vision of focal areas, and defined a number of strategic programs for GEF4 was to be wary of crosscutting issues. The groups tried to strengthen and streamline the alignment of the strategies to the emerging RAF and identified a number of impacts and indicators. They did not set aside specific funding, there are frameworks because when it comes to larger focal areas, the funding would depend on the dialogue. The groups worked with crosscutting issues, such as the relationship between forests and paper milling. The group moved ahead focusing on the strategy and aligning it to results-based management. Although progress had been made, the timeframe was short. The strategies for focal areas would be revised long before the next replenishment.



Plenary Discussion

Faizal Parish indicated that the GEF NGO Network had reviewed the Focal Area Strategies as a group and had identified climate change as a key area of concern. He noted that members talked a great deal about mitigation, citing both past and present experiences, but there was little to show for it on the ground. Faizal stated that land use decisions were very important and should be made on the basis of the underlying value of land, noting that very little was tied to carbon. This begged the question: How can we incorporate lessons and problems in future work to also address the issue of deforestation? We need to develop a more consistent methodology and look at how we need to structure a proposal to do this. If we are looking to allocate resources from climate change, the allocation should be based on land use and not industrial emissions and this would give a fundamentally different picture. We have had meetings with one major constituency to deal with this. We should never use US\$10/tonne as a target for GEF as we are trying to move out of the dollar and more into the mid range. Transport is going to be in the high range on the basis of economical investments.

Response by Peter Bjornsen

“There was a big struggle as we went up to replenishment. We asked Council how much more money could be allocated. Council’s response was US\$20 million. Looking at the boundaries, what happens with variability of rainfall? How much sense does it make to put money from mitigation to adaptation? The bulk of the funds are coming from LDCF, a special fund for climate change that is attractive because it avoids the complexities associated with incremental costing. The concrete thing to do now is to make sure all other projects are safe.”

Yabanex Batista enquired as to what was going on with UNFCCC. Under the forestry section of the focal area strategies he found it interesting that the global window would fund these. He made reference to Paragraph 3 of the Climate Change section, which refers to UNFCCC and wanted to know how much GEF, would avail to it.

German Rocha asked the following questions on the International Waters Strategy: (i) What was the criteria for reducing by US\$20 million allocation of funds to international waters in GEF4? (ii) Paragraph 12 mentions more resources will be dedicated; (iii) Paragraph 16 and 17 refer to US\$16 billion; (iv) Within the document it is stated that agricultural practices and inappropriate land management are polluting, why is this not considered a concern?

In relation to land degradation, Khadija Razavi wanted to know the implications for communities, CBOs, NGOs and Indigenous People of the Sustainable Land Management



enabling proposal cited in Paragraph 16 of the document. “We request that the GEF NGO Network be fully incorporated in this program. In addition, we request the Network be involved in the pilot demonstrations and pilot testing of sustainable community-based agriculture, forestry management and pastoralists in protected areas,” Khadija proposed.

Response by Peter Bjornsen

“A decision was made during replenishment to reduce the funds allocated to international waters so now we have a less ambitious agenda. This accounts for the reduction and the fact that we have to target fewer areas. The first program is marine and the second pollution. These all are subsumed under one priority. The last strategic program deals with Persistent Toxic Organic Pollutants. We have to focus more and deal with the resources we have.

Rex Horoi, the co-chair, encouraged participants to keep their questions short and to the point to save time.

Yagdeesh Puppala welcomed the contents of the land degradation but questioned what issues would be included in GEF5.

Response by Andrea Kutter – GEF Secretariat Program Manager, Natural Resource Management

Andrea Kutter referred to Paragraph 23 stating that there was an assumption that when people had title to land, more investment would follow. More research was, however, needed.

Response by Mark Zimsky --- Acting Team Leader, Biodiversity

Mark Zimsky mentioned that the biodiversity strategy reflected the quality of members and their collective expertise.

Alaa Sarhan, the co-chair, thanked the support team for their advice and taking time to respond to members’ questions.

4.0 New GEF Project Cycle

Ramesh Ramankutty, Head of Operations and Business Strategy, GEF Secretariat, presented the New Project Cycle.

He explained that the current project cycle was three to four years depending on which point the counting begins. There were two points of intervention by the GEF Secretariat.



“The CEO clears the project identification; the project is eligible for a grant. The project implementation plan is included in the work program. Once approved, the project moves to detailed preparation and is then submitted to the GEF Secretariat, reviewed by the Secretariat and submitted for a four-week review period. Full-size projects go through the same cycle,” he told the meeting.

Plenary Discussion

Yabanex Batista raised a question related to Page 2 on what the milestones would be. What is the prioritization process? The cycle urges countries not to rush but to take their time, but even with this provision, should there not be a clear timeline?

Response by Ramesh Ramankutty

Ramesh informed participants that milestones had been agreed for specific procedures. The normal practice was now to identify milestones and discuss them at regular intervals. Dates are flexible. When the process gets underway these dates are marked and documented. In the last six months, GEF had contacted 156 countries and discussions were ongoing with Operational Focal Points (OFPs) and their constituencies. GEF would continue with these consultations. If resources from country allocations were not used for the first two years, they would be carried forward. Only if these funds were stretched to the four-year period was there a danger of them going back into the basket.

Yabanex Batista noted that when milestones are set, the letter only goes out to the GEF Agencies. Would it not be possible for other stakeholders to receive this information as well? Although we take note of the need for urgency and prioritization, it must be recognized that countries will need to step up the pace.

Response by Ramesh Ramankutty

The idea of milestones, PIPs and approval through the website takes into account the need for a realistic timeframe. It is recognized that the consultations do take six months that is why one of the Council documents addresses strengthening in-country capacity to deal with these types of issues.

Faizal Parish sought clarification at what stage GEF Agencies came in. Can the country agree before inclusion of the Agency? He thought this reduced the impact of the PIPs by tying up resources while the PIPs are being approved.



Response by Ramesh Ramankutty

The proposal came through the GEF Agency. The country can discuss concepts with the Secretariat, who, in turn, brief the Agency.

An entry is made into the work program once a proposal is approved. The full project document will be posted on the website while it undergoes review by Council. Resources are not transferred to the Agencies until the approval process is finalized.

5.0 Address by Achim Steiner, Executive Director, UNEP

Rex Horoi, the co-chair, welcomed Achim Steiner.

In his address, Achim Steiner recalled the time he used to attend GEF meetings in his capacity as Central Focal Point. He recollected that part of the reason the GEF set aside a whole day for the NGO consultation was to get the GEF family to interact. He wondered what the civil society position was as there are many questions posed by civil society that are being asked by the GEF Council. This had evolved not by design, but because of the common difficulties and coping strategies. Redefining this very established assumption we have all become used will be the biggest challenge. We have a global environment, which touches on the future of so many sectors. The initial design was optimal but the reality requires that we engage in some catch up.

Where do people's movements, large international NGOs and civil society want to see the environment move? What shifts in funding would they aspire for? Projects should not be the center of attention but rather the logistics that drive our discussions recognizing that complexity lies in the details and that is where our greatest comparative advantage lies as NGOs, Achim said.

He concluded by saying: "It has been my personal pleasure to work with civil society and I challenge NGOs to continue finding ways to work with us and service our needs."

Rex Horoi, co-chair, thanked Achim for his injection of inspiration and motivation.

Plenary Discussion

Khadija Razavi thanked Achim for his very optimistic views on NGOs. "We do indeed need an improvement in our status. But at the end of the day we are here simply as an endorsement. How do we change this status and elevate ourselves to rise above observer status at council? When do we get into a real institutionalized partnership? We really need to rethink this and see how we can move towards this so that it becomes a kind of ownership and incentive to NGOs.



Response by Achim Steiner

“This should be raised with Council. The question would be with what ambition NGOs want to do this. What would this advanced status bring in terms of value addition to GEF? It might be an opportunity for a group to articulate, push and pull. If ‘observer’ status is the problem, then take it up with the Council, which I believe has shown itself to be very receptive.

Richard Blaustein, the Defenders of Wildlife, commented on the endorsement process and how this would lead to real decisions by 2010.

Response by Achim Steiner

There are interesting things happening at the G8 Summit. Biodiversity is back on the agenda. The German presidency saw this as important, particularly the linkage between biodiversity and climate change. Biodiversity is a growing 2010 challenge, but the goals set might be unachievable. Biodiversity, ecosystems and climate change must identify a track strategy, which can be driven by 2010 and beyond. There are financial endorsements. For example, G8 has given support to the World Bank forests carbon initiative, but the funding level is minimal. The question remains about what is going to be done in terms of giving in to the broader objective. One of the issues that will move quickest in Bali is creating incentives for maintaining forests, which are compatible in their view.

6.0 Monitoring and Evaluation

- Highlights on Country Portfolios for the Philippines and Samoa
- Technical Paper on the on-going GEF Small Grants Program Evaluation on Management Cost – *GEF Evaluation Office*

Rob Van Den Berg, Director, Evaluation, GEF Secretariat, make the next intervention. In his introduction he acknowledged the wonderful exchange of views with someone like Achim Steiner.

Rob informed the consultation that he would discuss two country portfolios, namely the Philippines and Samoa. During the portfolio studies, his office managed to understand the value of SGP on the ground. Both the Philippines and Samoa demonstrated the relevance of GEF to the development agenda as both countries fit into both the development and environmental categories. Although global environment benefits were achieved, some opportunities were lost for both GEF and the country, particularly the chance to become better partners and therefore achieve greater impact. He noted that the GEF was organized into focal areas while countries had sector policies that had more than one environmental benefit.



After a full overview of what is happening, in the case of the Philippines some projects could be connected to the work on the ground. However, declining environmental claims would endanger any achievements GEF managed to fund. There were several other inefficiencies, he noted. But despite this, government had reacted positively. There was need to think through what the program means for the country before working on the finer details. GEF should consider developing a country strategy, which he said, would present an opportunity for NGOs. He had observed both in the Philippines and Samoa that civil society was fairly well integrated in environmental debates through SGP and also involved in policy discussions.

For Samoa the main recommendation has to do with new programs proposed for the Pacific. The approach followed by Samoa is based on enabling activities and establishing frameworks. It aims to build capacity followed by implementation. There are high transaction costs, which need to be taken into account.

“Regarding SGP it is an information document for presentation to Council. It is preliminary and provides an overview of what a program such as this spends their money on. It has various projects, which deliver more services to donors, as well as to the people on the ground. This comparison leads to the conclusion that SGP is one of the more expensive programs but one that delivers the most. The support for the management costs of SGP is the only thing that we will take further. At country level there are potential efficiencies that can be achieved. In some cases there is a strong capacity while others there is strong monitoring and evaluation. SGP could, however, do less of this. The conclusion is that SGP delivers more in terms of management costs.

In concluding, he made two appeals: (i) To look at the approach paper on the website (looking at the catalytical role of GEF, the role of civil society in achieving catalytical effects. (ii) in the next few months the Evaluation Office is going to prepare Terms of Reference (TORs) for the midterm review of RAF. There are many concerns about RAF although it is interesting that country portfolios seem to be turning around, no longer putting emphasis on mistakes but seeing the opportunities and benefits.

Plenary Discussion

Rajen Awotar thanked Rob for the presentation and for talking about his concerns on the SGP evaluation and qualifying the report as preliminary. He raised issues for the future evaluation by looking into the functioning of National Steering Committees (NSCs). There were questions about the uniformity of NSCs, as it appeared they were not the same in all countries. An evaluation of the socio-economic impacts at the global level could also be included. In relation to management costs, what elements is the GEF looking at, e.g.



when a grant is approved; the recipient does not receive all but less the costs of consultancy and administration? How will these costs be reflected in project reports? Rajen also requested that the evaluation team contact the RFP of the GEF NGO Network to assist in facilitating the consultations in all the countries they visited.

Khadija Razavi asked if there would be any merit in the evaluation office extending this exercise to full and medium size projects.

Jagdeesh Puppala reminded the consultation that the CEO had highlighted the role of NGOs. NGOs have realized that in some countries SGP had achieved better results than in others. It may be a beneficial exercise to compare and draw lessons from this.

Yabanex Batista asked for more information on the RAF midterm review. He also wanted to know what the TORs would be like.

Response by Rob van den Burg

Rob responded that his office was keen to look at the socio-economic and environmental impacts of SGP.

On the issue of obtaining information for the desk review, his office would look at country studies; in-depth evaluations to ensure they got an insight into the lessons learnt, e.g. the relationship between regular GEF portfolio and SGP. He reported that his office had already reviewed the situation in Costa Rica where considerable progress had been under different programs. The making sticking point was how to measure SGP achievements *vis-à-vis* medium-size projects. To what extent will this be fully comparable? While it was easy to point to some remarkable achievements in one area, it was more difficult to ascertain whether SGP is achieving environmental benefits, never mind tell how these could be achieved.

Rob continued: “There are many sides to management costs. So far we have only focused on the differences rather than the similarities. More work will be done on this. We have also established that funds are given to grantees for proposal writing.” We will try to involve the GEF NGO Network in country.”

The mid term review of the RAF will be a process evaluation. There will be no results on the ground but several important decisions that can influence how the country and GEF interact.

Delfin Ganapin shared with the consultation the bigger picture. He stated that they had asked the Evaluation Office to look at cost and relevance. SGP had reduced management costs and further reductions were in progress particularly for the benefit of the 22 new



countries. He added that it was necessary to critically assess the existing structure when looking at full efficiency in a country. If country drivenness was to be maintained then it was critical to have national coordinators and assistants. She warned that reducing the management costs to a minimum would see a similar reduction in quality and effectiveness.

Alaa Sarhan, co-chair, thanked Rob for his eloquent presentation before apologizing for the delay in the program.

7.0 GEF Public Private Partnership Initiative (PPPI)

“The GEF Secretariat is proposing a roadmap for the implementation of PPPI. It is strategic for the GEF to invest in programs with the private sector. The elements of the roadmap are platforms, new governance structure parallel to GEF structure and a trust fund.

“The platforms are thematic, using tools that look at financial product development and capital for prizes. The governance structure will be inter-sectoral, a separate private sector structure parallel to the GEF structure. There will be a platform Steering Committee reporting to the GEF Council. The membership of the PPPI Steering Committee will be the GEF CEO (chair), eight Council members (four from the North, four from the South, one NGO and one foundation). The platform managers will be GEF Agencies.

“The criteria for engagement will be incremental and addition, catalytic and self-sustaining, benefits to developing countries, driven and substantially co-financed by the private sector and supported by GEF focal areas.”

Plenary Discussion

Khadija Razavi’s questions revolved on when, who and how?. She emphasized that the most harmful impacts to the environment and natural resources were driven by the private sector, e.g. chemicals and pesticides. Who will be responsible when irreversible harm is caused to the environment?

Yabanex Batista sought clarification on the platforms. “There are five proposed platforms, how exactly have these been decided? What are the strategic reasons and how are the different platforms going to relate to each other? Regarding the project list, are these suggested projects? What would be the role of technology in all this? Who are the targeted beneficiaries?

Herve Jean Rene Lefevre, WWF, asked to what extent NGOs would be involved. As there is only one representative in the structure, how do we decide?



Faizal Parish raised questions about co-funding and viability. Is there increasing commitment from the private sector? If there is no commitment, what is the reason for this? On bio-fuels concerns have been raised that this is leading to massive deforestation and degradation. Is it sustainable and what will happen when the US\$50 million pledged by GEF is exhausted?

Response

“PPPI is work in progress. There are destructive elements but the criteria summarized in Paragraph 40 of the document states . . . ‘to ensure no damage is done to the environment but contribution be made to the global environment’. There are risks but we hope together we will minimize these. The need to protect the ecosystem and be fully environmentally friendly will be intrinsic to the proposal.

“What is the strategic vision of the platform? At this point we are being optimistic. As we move on and get the opportunity to arouse more interest, we will become more strategic. Capital prizes are linked to technology, which is high on the agenda. One goal is to open up markets, to make it more appealing to the private sector. The target beneficiaries will be developing country governments, small and medium enterprises from developing countries who warranted incremental costs for bigger companies.

NGOs would be represented on the board on a rotating basis, but would have more representation at platform level. The board was reduced in order to expedite decision-making. If substantial contributions were made by NGOs, then this would be reconsidered.

The general trust fund, which would receive US\$50 million from GEF, would only get this money once a match takes place (a commitment from private sector, philanthropy, foundations and potential GEF Agencies).

To avoid conflict of interest, parties will not be allowed to vote in platforms.

Jagdeesh Puppala asked that since it appeared that the objective was to promote technology, what was the position on intellectual property rights? “As we are here as the GEF NGO Network would it not be prudent for a member of the Network to be on the board rather than the vaguely defined NGO? If the ultimate aim was to ensure that technology was available for developing countries, how would this be effected?.

Response

Note will be made to have a network member on the board.

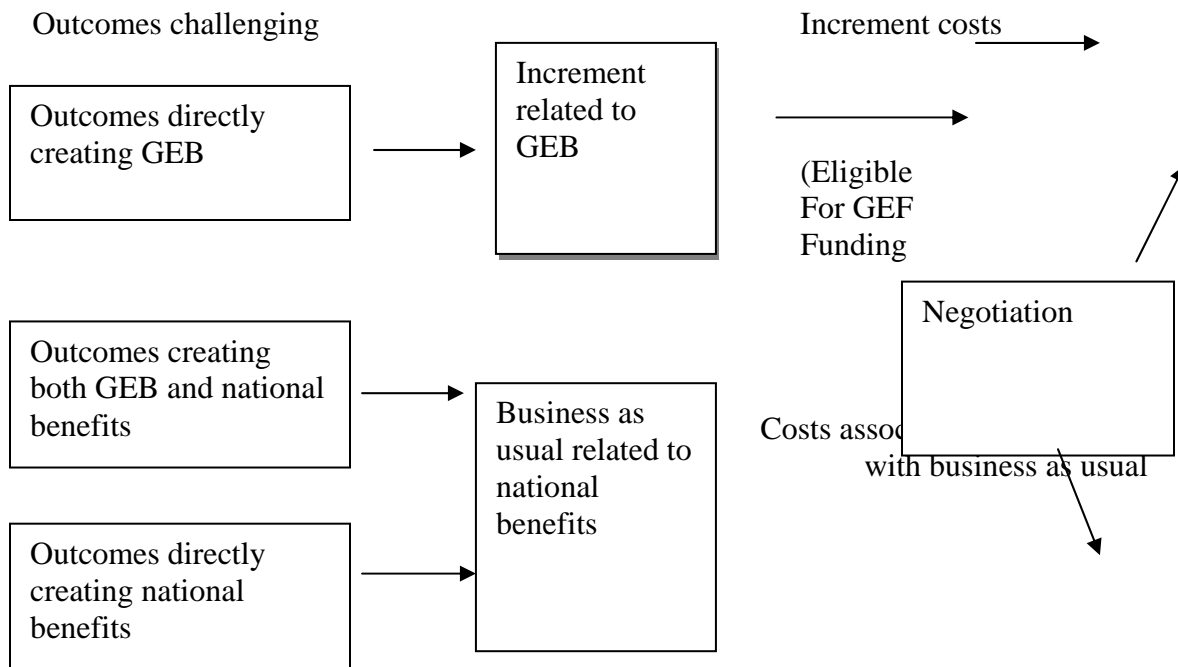


Rajen Awotar took over co-chairing from Rex Horoi, whom he thanked for an excellent job.

8.0 Operational Guidelines for the Application of the Incremental Cost Principle

Nicole Glineur, Program Manager, Senior Biodiversity Specialist, GEF Secretariat delivered the next presentation.

She opened his presentation with a quote from the GEF Instrument which states that “the GEF . . . shall operate for the purpose of providing new and additional grant and concessional funding . . .”



Nicole observed that although the Evaluation Office had said the principle of incremental funding was alive and well in the GEF projects; there was poor understanding and much confusion about incremental concepts and procedures. She also mentioned that most project documents registered low quality, compliance when measured against GEF requirements for incremental cost assessment and reporting and the fact that incremental costs do not add any value (they simply have to do it because it is part of the mandate).



The Evaluation Office had recommended that GEF adopt a more pragmatic, simplified, strategic and cost-effective approach.

They also proposed a simplified approach to the process of negotiating incremental costs, to clarify definitions, to link incremental cost analysis to result-based management and the GEF project cycle. In the operational guidelines it was essential to determine the environmental problem, threats or barriers and “business as usual” scenario (what would happen without GEF), identification of global environment benefits to fit GEF strategic programs and priorities again linked to GEF focal areas, provision of incremental reasoning and GEF’s role, development of result framework for intervention and negotiating the role of co-financing.

Plenary Discussion

Commenting on the issues, Felipe Villagran pointed out that he and the presenter had been exchanging views on the subject but had not managed to find common ground. The Evaluation Office report was not only complex and but lacked transparency. Other concerns included a weak understanding, lack of clarity and sub-standard quality.

“The question arises whether we are creating a niche for consultants. The new policy is good, but raises concern about the meaning of GEB,” noted one participant. It was further noted that although the conventions gave some explanations, these were open to different interpretations. In the case of biodiversity a major bone of contention was the global significance of biodiversity.

“We need to think about it and understand what we really mean. The Annex in the new GEB is useful. The only binding, legal document is a commitment between the agency and the country. Nowhere does this document talk about GEB,” it was pointed out.

Felipe proposed that expressions like “the project will comply with the agreed GEB” be elaborated on and this agreement have a GEB annex. “GEB is like a FISH . . . the project exists, there is some money, there is all kinds of activities but the project fails because of a poor understanding of what we are trying to achieve in terms of GEB,” concluded Felipe.

Response by Nicole Glineur

Nicole expressed her appreciation at email exchanges between members but that this was not the right platform to answer all the queries. “What is globally important, what is globally unimportant. What is the expected impact? All these answers should come from Focal Area Strategies. Instead of having an annex it would be better to enhance the quality of the project proposal to fully explain what is GEB in that context. The legally binding document for GEF Secretariat is the one on which the CEO puts her signature. If the



project is not delivering benefits, then GEF should not hesitate to cancel it. GEF does not want a project to run its full course without evaluation.

The next agenda items were three presentations and a case study.

9.0 Capacity-Building Activities for Civil Society and Future Plans

Ravi Sharma, Program Manager, Senior Capacity Building Specialist, Corporate Affairs

Ravi recognized that this was a perennial topic of discussion among the GEF NGO Network members. He also noted that although the GEF had a policy of involvement, it did not have one for the NGO Network. “The National Dialogue Initiative is a regular program and stakeholder involvement in this includes NGOs. If you look at the three elements of NDI, it does provide opportunities for NGOs. The most popular corporate program involving NGOs is the Small Grants Program which NGOs are executing in some countries,” said Ravi.

Further possibilities for strengthening NGOs existed on the supply rather than demand side. NGOs can engage in utilizing their capacities potentially to enhance how council looks upon NGOs and further enhance the funding of the GEF NGO Network.

One advantage of the RAF was that it helped increase country ownership. GEF at global level will have less to do with decisions, as all projects will be country driven. Most of the responsibilities at global level have been transferred through RAF to country level. Recognizing the role SGP has played in terms of bringing the capacity of NGOs to the fore, it would make sense for the Network to concentrate its efforts in this regard.

Small countries in sub-Saharan Africa and the Pacific provide another opportunity for making certain interventions at global level for the participation of NGOs. In the Pacific, GEF will support a number of national consultations, but since resources were limited group allocations would be made under the RAF. But it still presents an opportunity to convene a diverse group of shareholders.

The national consultations will ultimately lead to regional consultations where all priorities identified will be brought together. This will provide an opportunity to discuss how to bring synergies, make it more cost-effective and allow NGOs to deliver some activities at lower costs. The action will be carried out mostly at national level and at regional level in some cases. The capacity building exercise will be done at this level. The question is how do we start increasing engagement at that level where countries agree that it is important to share resources with NGOs?

The capacity building strategy of the GEF is still to be finalized and endorsed. A share of the capacity building funds will be provided to some programs such as those in the Pacific.



NGOs were urged take an interest in this program. The World Bank, whose role is purely advisory, was taking the lead and working with GEF.

Plenary Discussion

Faizal Parish asked about GEF4 resources for capacity building. It was his understanding that there was a substantial amount of money allocated for this purpose. How can the GEF NGO Network work in partnership to develop a proposal? He stressed that the capacity of NGOs to implement projects was not in doubt. In this respect, it was logical to provide them with the necessary funding rather than channeling resources to the consultancy pool at global level.

Response by Ravi Sharma

Ravi told the consultation that they were allocated US\$45 million for capacity building. Most of this money has been set aside from RAF for national/regional projects, for climate change and SGP. Half of the resources had been allocated to the Pacific and LDCs. Although these funds were not part of the RAF, potential beneficiaries still required getting national focal point endorsement for these activities. There was an ongoing internal debate whether this should be a standalone program to meet existing requirements or if it should be integrated into the existing GEF portfolio.

10.0 DO NGOs BRING VALUE TO THE GEF: THE CASE OF CORREDOR MESOAMERICANO - PRONATURA Chiapas: *Maria Concepcion Donoso, UNESCO-International Hydrological Program*

The case study presentation related to a project, which aimed to establish landscape around protected areas through forestry and water. There are many communities and indigenous Peoples (IPs) in this region. What is the biological corridor? The project wanted a more scientific approach on the ground with more focus. The project also involved strategic communication with the idea of reaching IPs. It was decided at the beginning that the project had a long-term vision to streamline biodiversity and make participatory design a major component on sustainable use.

The implementation design took more than two years and the project started on bad note. Even though the issues to be addressed were beyond reproach, no one discussed the institutional arrangements, so it was established in an institution with bias towards science but with little experience in this type of work.

After four years dwelling on technical reports, the project experienced operational problems. Neither was it spending enough money. So it was decided to reconvene and hold further discussions on the concept. This was marked by numerous meetings and



community exchanges. After an external evaluation and a flood of complaints directed at the government of Mexico and the World Bank, things started changing for the better. The coordinator was pushed out. The procedure and format were reviewed. Financial controls were put in place. This was ample proof that sometimes people on the ground can influence change. The government of Mexico now has a new development plan and the possibility of mainstreaming biodiversity is now much higher.

Overall, the results are quite pleasing. The lesson here is that tension is inevitable when participatory approaches are neglected or ignored.

Plenary discussion

Felipe Villagran thought Maria was being modest in her presentation. Her organization, colleagues and IPs had stood firm until changes had been made. The Implementing Agency realized that they could not ignore the people's wishes and subsequently gave in. Once the NGOs took over the project things changed completely.

A World Bank participant added that it was important to realize that what was under discussion was not a project, but a concept. The role of NGOs as a partner could not be underestimated, he said, adding that NGOs kept their fingers on the pulse. This probably explained why the World Bank continues to work with Pronatura.

Faizal Parish asked Maria about the project's sustainability and sought clarification on the next phase. How are the NGOs putting the project back on track to influence the way forward? Is the new RAF a challenge to this project?

Response from Maria Concepcion Donoso

Maria responded that there was a possibility that some components of the projects would be included in a government project. Although the Mexican government had the money, its disbursement did not guarantee sustainability. This is not so much a sustainability project as it is an enabling project.

A participant from the World Bank added that GEF investments had been important in the creation and branding this initiative, which is in the Meso America corridor and is dealing with marine aspects. In terms of support, from the World Bank perspective, the project still has a considerable amount of money if all resources are pooled together.



11.0 GEF SGP Global Knowledge Management Platform -- A Proposal for Linking Lessons learned of NGOs and CBOs to Global Environmental Governance (i.e. COPs) and Development Planning and Practice of Governments and International Donor Agencies,
Delfin Ganapin, Global Manager, Small Grants Program (SGP)

Delfin Ganapin opened the presentation by observing that knowledge management was more targeted and aimed at changing behavior. There was more to it than just selecting information on local NGOs. There were focal points for distribution purposes. “If the GEF NGO Network provides SGP, we can talk to local grantees and allow the GEF to more effectively link with the grassroots. This will strengthen SGP and the GEF NGO Network. The argument is not the amount that we are representing but rather to have stronger linkages. The GEF NGO Network can select local NGOs to be knowledge management representatives in the country which will result in mobilization, better links to issues on the ground and the opportunity to bring these up and a wider and broader representation,” said Delfin.

Plenary Discussion

Felipe Villagran acknowledged that SGP does make significant contributions, but added that there was room for improvement. All it needed was for the Network to agree on the modalities.

Faizal Parish commended existing strengths. He described the proposal for knowledge management as good even though it appeared ambitious and complex. “Maybe we could share more about the complexity of scale, the cost and how it will be done. Have you thought about phasing options, looking at the demand side and to what extent this concept has been tested? The technology is available and so is the capability, what we need to work out are the mechanisms,” he said.

Jagdeesh Puppala said that after listening to the Mexican presentation he felt knowledge sharing should be regarded as a process rather than an event. “We must not only talk about products, but the process,” he urged participants.

Felipe Villagran believed the Argentina initiative, where a Small Medium Size Project had been piloted, had some positive outcomes, which deserved to be replicated.

Maria suggested that as most communities did not have computers, it would be a good idea to keep in touch with via radio programs.



Response by Delfin Ganapin

“The program will cost somewhere in the region of US\$5 million. It will span the four years of GEF4. Capacity building will take up most of the costs. The program will be more focused on skills and identifying major groups in terms of knowledge skills and knowledge products. There will be targeted advocacy and advertisement. We still need knowledge products to engage with governments, convention and council. We are looking at it in terms of size and costs. We were told by the Steering Committee that we are moving too fast but knowledge can be spread very fast with little or no cost, particularly if you identify appropriate partners and enter into agreements on portals.

“It is an initiative that converts communication into knowledge providing more in-depth lessons. Community work is a two-way process. Knowledge management produces products, which explain the process. There is no reason why we cannot get this information to universities and produce knowledge products more efficiently.

“We can proceed with the Argentina project, but this will have to be preceded by an evaluation. It was an umbrella project and we do believe that many SGP projects could graduate to SMSPs. We will take this into account.

In terms of communication, the SGP had used satellite phones and web cams in the Caribbean with considerable success.

“For action SGP needs to know: Is the GEF NGO Network in? Who will be the point person? We need to set up meetings and have a draft proposal,” Delfin said.

Rajen Awotar, the co-chair, thanked Delfin, for a thought-provoking presentation.

12.0 Initial Experiences on the Role of Civil Society in GEF Multi-stakeholder National Dialogues in GEF 4 *Stephen Gold, Global Manager, GEF National Dialogue Initiative and Country Support Programs*

Stephen Gold thanked Dorothy Manuel (CFP) for inviting him to make a presentation and noted that there were many people in the room who had attended NDI which brings together governments, civil society, the private sector and non-governmental organizations.

Stephen told participants that the NDI knowledge sharing initiative was relatively successful as it brought together CBO experiences and systematically engaging with governments and NGOs.



Sharing the experience of Honduras, Mozambique and Vietnam, Stephen highlighted that there was very active participation from SGP, which continuously advocated NGO issues. A new feature of recent dialogues was the introduction of civil society panel discussions. In Mozambique 24% of the participants were NGOs while site visits were a common feature in Iran. These site visits were organized by SGP. They had proved popular because when people go to an SGP site they see results and this provides concrete proof of what are often theoretical discussions.

NDI also encouraged NGOs to take a more active role in the development of country programs. Stephen also noted that his initiative needed to be informed by the Network.

“It is an opportunity to have vertical and horizontal links. We have told Focal Points that we would like them to update civil society. We hope that through the CSP database, Focal Points will be more aware of GEF-accredited NGOs and the Regional Focal Point of the GEF NGO Network,” said Stephen.

Plenary Discussion

Felipe Villagran expressed concern that while in some countries the NDI was working well, in others only those NGOs aligned to the government participated in these dialogues. Could not the organizers invite GEF NGO members to these dialogues?

While acknowledging the formal arrangement for GEF Focal Points, Faizal Parish wanted to know what arrangements could be made for the GEF NGO Network and/or between the two.

Response by Stephen Gold

“Focal Points request NDIs. As the governments are responsible, there is little room for GEF to invite NGOs. However, the materials are available on the website. There were, however, no funds for sub-regional participation.”

13.0 Closing Remarks

Alaa thanked all participants on behalf of the GEF Secretariat for their interest and active participation. He noted that the consultation was indeed a full day packed with interesting discussions and presentations. He hoped that the discussions that had begun would continue during the entire week of deliberations and even after participants had returned to their respective homes.



Rajen, the co-chair for the afternoon session, thanked Alaa and all participants. He underscored the course the GEF NGO Network was taking in terms of reflecting very seriously on a new format for the NGO Consultation which would not be “business as usual”. Change, however, would not come overnight, but gradually. He acknowledged that it has been a long day filled with provocative exchanges of information and knowledge and hoped that the consultations ahead would be characterized by the same vibrancy, if not better.



ANNEX 1: GEF NGO NETWORK INTERVENTIONS

Issues of Concern: Climate Change Focal Area Strategy and Strategic Programming for GEF-4 Faizal Parish

Introduction

We have concerns about the limited focus of the strategy which will restrict the flexibility of governments to address top national and international priorities to address climate change

The draft GEF4 strategy seems to be business as usual with all focus on mitigation of GHG emission through energy efficiency/renewable energy.

No additional resources are identified for adaptation to climate change and there is no attention or resource allocation for mitigation of GHG emission from Land Use and Land Use Change (LULUCF)

Since countries will now make priorities for GEF4 expenditure on climate change through the RAF mechanism, the priorities in the GEF4 Climate Change strategies should be flexible and reflect country priorities.

The UNFCCC COP, through a series of decisions, has emphasized the importance of adaptation and the need for GEF to provide this support. This has been reiterated at many for a, not to mention a number of national prioritization exercises relating to GEF4 RAF. Similarly, discussions at UNFCCC (COP12 and SB26) have indicated an overwhelming need to reduce emissions from deforestation and other aspects of LULUCF.

Concerns on the Climate Change Strategic Programs for GEF4

Inefficiency of Energy Efficiency and Transport

We are concerned about the cost-effectiveness of energy efficiency and transport projects in generating immediate and cost-effective reductions in GHG emissions.

The proposed focus of the program on energy efficiency is on buildings and industry. Work done internationally has shown that although such projects generate long-term benefits, the short-term cost for GHG reduction may actually be high. Energy efficiency projects proposed for inclusion in the GEF4 work program at the current Council have a cost for GHG reductions over the project period of up to US\$120/tonne and only make significant reductions if the timeframe is extended to 20 years.



The costs for proposed projects for GHG reduction in the transport sector are much higher with costs up to US\$600/tonne even over a 10-year period. Although there is significant co-funding for the projects, it may be more appropriate for GEF to support only those projects, which are cost effective in reducing GHG emissions. Some years ago it was proposed that GEF should not invest funds in projects, which reduce GHG emissions at a cost higher than US\$10 per ton. This may need to be revisited.

Lack of a program to address mitigation of emissions from LULUCF Sector

We are also pleased to note that it is proposed that the climate change focal area have a small activity to support Land-Use and Land Use Change activities as well as the sustainable management of forests under this climate change focal area.

However, since LULUCF is the largest source of GHG emissions from most GEF recipient countries and reducing emissions from LULUCF is one of the most cost-effective measures for GHG emission reduction, we think that this should have a larger focus in the focal area. Addressing LULUCF emissions can be combined with biodiversity conservation, addressing land degradation as well as addressing poverty and development priorities.

Given the apparent relatively high cost of energy efficiency and transport sector program to reduce GHG emissions, it would seem important that the GEF seriously consider the inclusion of a strategic priority on reducing emissions from Land Use and Land Use Change. The recent IPCC Working Group III report highlighted that emission reductions in the LULUCF sector were cost effective compared to other approaches. Among the approaches highlighted were reducing emissions from deforestation and wetland degradation and restoration of wetlands and forests.

We feel strongly that there is a need to include a new strategic program in the main body of the climate change focal area to initiate work to address emissions from the LULUCF sector which, in many GEF recipient countries, is the main source of GHG emissions. It is strongly suggested that the countries to request funds to undertake assessments or implement pilot projects to reduce emissions from the LULUCF sector, through improved land management practices in the agriculture and forestry sectors, rehabilitation of forest and wetlands (especially peatlands) as well as maintaining natural ecosystems important for carbon sequestration and storage.

There is reference under the use of global and regional funds for undertaking joint projects with biodiversity, land degradation and sustainable forest management, but limited only to research into methodology for assessing carbon sequestration in tropical forests. This is considered too narrow a focus. It is proposed that resources be allocated under regional and global programs for activities which will bring countries in key regions together to develop or implement new and innovative approaches or strategies to address emissions from



LULUCF including land use, deforestation and degradation of wetlands. Such activities should be linked to land degradation and/or biodiversity sectors.

Concerns Regarding Energy Production from Biomass

We have concerns that the proposed strategic program on biomass may lead to negative climate, social and environmental impacts. Currently, there are large number cases of the negative impacts of large-scale biomass/bio-fuel production with local communities and the environment. Many local communities are being displaced from traditional lands to make way for large-scale bio-fuel plantations, which also affect water resources and the environment at national and regional level. In some regions GHG emissions from the clearance of forests and peatlands for bio-fuel production releases more GHG than the projected emission reduction from fossil fuel substitution. Bio-fuel demand is also enhancing food prices and access to food.

We welcome the statements in the strategy that strong safeguards are needed for conflicts between the environmental and biomass/bio-fuel sectors. However, given that there are so many private sectors and government funding channeled for bio-fuel production it would be more strategic for GEF to focus its limited resources on bio-fuels. We feel that GEF resources should be focused on rigorous assessments of the impact of the bio-fuel sector on global environment and climate change and development and promotion of appropriate safeguards and standards rather than implementing investment projects for bio-fuel plantations.



Adaptation

We are pleased to see “adaptation activities” included in GEF’s mission. It is agreed that adaptation constitutes one of the most important concerns of developing countries in relation to climate change. However, the Network believes that support to this area deserves additional attention from the GEF as the strategy indicates that no additional resources other than those identified in GEF 3 (the SPA) would be allocated for adaptation.

We understand that many countries have prioritized adaptation in their consultations related to RAF, but if excluded from the strategy of a continuance of GEF support for adaptation it will not be possible for them to develop new programs.

We strongly disagree with the proposal to defer allocation of GEF4 funding for adaptation until an evaluation is completed into the lessons from previous adaptation funding. The SPA is a new program and the related projects will not be complete for a number of years. Therefore, it is inappropriate to recommend deferment of new fund allocation until an evaluation has been completed. This same approach has not been applied in the other strategic programs of the climate change focal area. GEF should comply with the clear message from UNFCCC through decision 5/CP7 and other more recent decisions and enhance the level of funds from the GEF trust fund for adaptation activities.

We are also strongly concerned at the statement in Para 34, page 35, which implies that adaptation to climate change should only be considered for GEF support if and when the whole global carbon system is in a state of collapse and or melting of ice sheets disrupts oceanic currents. This is clearly too late for action. The implication is that GEF will not be willing to support adaptation unless such projects address or “solve” climate problems of global scale. However, there are many potential adaptation projects, which also generate global environment benefits such as reduced GHG emissions or enhanced biodiversity conservation. A clear niche for GEF trust fund support would be to develop, test and promote such multiple benefit climate adaptation approaches, including restoration of floodplain wetlands for flood control and biodiversity, development of coastal forests for storm protection, biodiversity and sequestration, prevention of forest and peatland fires linked to increasing droughts. These projects should be supported through the climate change focal area and not just through other focal areas.

Mainstreaming Adaptation

The GEF NGO Network would like to support the proposal that “all projects presented for CEO endorsement are required to consider the impacts of climate change in their results”. In this regard, the Network supports the mainstreaming of adaptation across all GEF focal areas but without losing sight of the need to support stand-alone adaptation projects.



To enhance mainstreaming there may be a need to simplify procedures related to co-financing and the concept of global environmental benefits to encourage countries to include specific components on adaptation into projects in other focal areas.

With respect to the adaptation-screening tool, the Network members will most welcome any collaboration from the GEF and other agencies.

Finally, we feel that adaptation program need to take into account local knowledge and local know-how. The role and engagement of the civil society and civil society organizations are important since local development dynamics exist at the rural as well as the peri-urban levels. Local populations have lot of knowledge drawn from their experiences of drought, desertification and inundations and these could well be used for defining adaptation options, strategies and tools.



COMMENTS ON THE SGP DOCUMENTS
(Ref Doc. GEF/C.31/Inf.4 - GEF/ME/C.31/Inf.1)
Rajen Awotar & Khadija Razavi

Document (GEF/C.31/Inf.4) is related to the Management of the SGP. This document has been prepared by the Secretariat. It highlights the setting up of the Steering Committee after last December's Council meeting. The functions of the Steering Committee and its composition are also outlined in detail. It is to be noted that our Central Focal Point (CFP) Dorothy represents the network in this committee. The second meeting of the committee will be held on Friday 8th June 2007. I am sure Dorothy is actively preparing to attend this meeting and take up some of the points raised in this document.

In any case, the points mentioned here could as well be raised with Delfin during the Monday consultation. One of the critical issues for the committee meeting on the 8th will be perhaps the technical paper on management costs prepared by the Evaluation Office. Also expected to come under the spotlight will be the issue of countries that will be phasing out of the SGP list, additional fund-raising, etc. According to the document, the GEF CEO is now the overall chief of this program with Delfin as Global Manager reporting directly to her while the various country SGP Coordinators come under the direct authority of the Global Manager.

During my interactions with Kenyan, Ugandan, Ethiopian and Tanzanian GEF-accredited NGOs' Reps who attended a meeting I convened sometime back in Kenya the following fundamental issues were raised and clarification sought.

- The modalities of the setting up of the National Steering Committees (NSC). The composition, the mandate, tenure of the members and the exact role of the National Coordinators within the program and *vis-à-vis* the NSC. Apparently these are still not clear to many. .
- Another fundamental issue concerns the payment of administrative / consultant expenses (apparently chosen by the Coordinators themselves) who I understand have to assess / help the requesting NGOs to prepare the final document to be submitted to the NSC. A Kenyan delegate informed the meeting that these costs amount to about 20% of the value of the grant. The result is that, at the end of the day, the grantee receives, say, US\$50 000, less 20% for administrative / consultant costs. Personally, I am not clear on this issue, which will need be cleared with Delfin on Monday .
- I believe there is need for uniformity in the composition, mandate and the issue of administrative / consultant fees. This clarification will help us advise our regional membership.



We equally need a list of projects approved on a region by region basis showing in tabulated form the following (going back to the last five years):

- The name of the organization (grantee)
- The project title, i.e. the focal area
- The total amount approved by the NSC
- The amount actually disbursed after deduction of administrative costs, etc.
- A list of awareness raising / capacity building seminars / workshops organized during the last five years by each NSC.

Conclusion

These are some of the fundamental issues, which we need to get clarification for the benefit of our membership. It must be noted that the SGP is the only funding window available to CBOs/NGOs within the GEF family, hence the need for full information, clarity and transparency on the process. I believe it is the first time this issue about SGP is coming up in Council and the undertaking of an evaluation.

DOCUMENT GEF/ME/C.31/Inf.1

This document is entitled “Technical Paper on Management Costs of the SGP and was produced by the Evaluation Office”.

The document has made a comparative study of the SGP management costs compared to a host of other similar programs. **Table 1 lists these programs / organizations.**

The report comes to the conclusion at Section 5.3 Para 36 Page 10 that the overall program management cost of the SGP is about 25%. **Table 2 at Page 12 shows the management cost of the various programs by way of comparison.**

Section 7: Issues for the future Para 43, 44, 45 at Page 13 mentions that this assessment is provisional and many aspects of costs such as:

- Functioning of the NSC
- Capacity building
- The extent to which the SGP focuses on marginal groups will be assessed at greater length before completion of the evaluation process. It also mentions the question of cost effectiveness of the program and the question of graduation (phasing out of certain countries).

However, the evaluation --- which is work in progress --- should also study the socio-economic, local, global environmental impacts of projects funded by the SGP.



We recommend that CBOs/NGOs of countries being evaluated/to be evaluated be fully consulted by the GEF Evaluation Team. The team should inform in advance the Network of their planned visits to countries to enable us to inform our accredited NGOs to follow the process and provide us with feedback. We should not accept that the evaluation is a one-sided activity. The GEF instruments provides for the full and active participation of all stakeholders in GEF activities .

Conclusion

I believe that it is a great opportunity for us RFPs to closely follow this evaluation and see to it that it is a fully open, transparent and inclusive democratic process. We NGOs are here to safeguard the interests of CBOs/NGOs.

NB: The reality on the ground is so different from the perception in the Council and the upper echelons of each of our governments.

It is sometimes difficult to implement global approaches promoting the sustainable use of natural resources when the CBOs keep telling you “What the hell for the global approach when I don’t know if tomorrow I will be able to feed my children”. That is why we have to rethink the full and medium size GEF project approach and give more power and bigger budgets for the small size projects. In addition, there is need to allow enough time for the evolution of this process and acceptance of evaluation as a participatory approach. The impact of this approach should be in relation to the synergies of all the agreements signed by governments and included in their development strategies. Only then can we speak about assessing everything else.



Operational Guidelines for the Application of the Incremental Costs Principle **Felipe Villagran**

We congratulate the Secretariat for all their effort and hard work in simplifying the incremental cost policy. The task certainly was challenging taking into account that it had to be pragmatic, simplified, strategic and cost-effective.

When reading the Evaluation Office report on incremental costs it was difficult not to get overwhelmed by the language used --- complex, not always transparent; weak understanding; much confusion; low quality and poor compliance. Simply put, it does not add value to project design. These terms are contained in only two paragraphs (2 and 3). Later it continues: doubts and concerns, poorly understood, and, above all, it says that the Incremental Cost Annex is usually carried out *ex-post facto*, at the end of project formulation, by experts.

We feel that, by and large, the proposed changes to the policy address many of the concerns raised by the Evaluation Office and the Council. However, we feel this falls short of addressing the Global Environmental Benefits issues. There is no clear definition of GEB nor do we have clear guidelines on them. In broad terms, the GEF Instrument talks about agreed GEB. Therefore, each focal area has agreed/negotiated or is in the process of agreeing on what are the GEB.

Another challenge is measuring the GEB. On the indicator side, all focal areas face enormous challenges because most of them use only proxy and process indicators. It also brings up the question of whether we will measure this using quantitative or qualitative methods, or both. Is our understanding that project-by-project the GEB and the evaluation criteria will be agreed prior to the project approval? In the case of biodiversity, does everyone understand that we are talking of globally significant biodiversity? This is another challenge. I feel an annex for guidance could be useful in this regard

In my experience many of the commitments that a recipient country makes regarding GEB (in very specific terms) are barely mentioned in the project document. Furthermore, as a rule, the commitments are never mentioned in the legal document. It will be advisable to add a standard paragraph in the legal documents referring to the table of the agreed GEB and evaluation criteria.

Please take note that the legal document is the only binding document between the recipient country and the Executing Agency. If the GEF, local communities, NGOs or civil society at large feel the project is not in compliance with the agreed GEB, the legal document is the only legal recourse available. In addition, this will bring transparency as recipient countries and executing agencies will be more careful on what they commit themselves to.



Clarity on project objectives, GEB and evaluation criteria will facilitate the co-financing as the project will inspire confidence.

The proposed paper does not touch on the issue of counterpart funds. The amounts purposed and timetable for disbursement of funds must be clear. It is of paramount importance to specify if, in addition to co-financing, the counterpart funds will be fresh funds. I am assuming that the counterpart funds will be used for activities with national and local benefits.

It may perhaps be premature and maybe the wrong place altogether, nevertheless let me underline the importance of governance. If we are going to look at business as usual, it is also imperative for us to ascertain if the institutional arrangements are in place to ensure the project's success.



GEF NGO NETWORK SCRIPTED QUESTION AND ANSWER SESSION TALKING POINTS

1. We acknowledge the CEO's statement on the new strategy to boost environmental funding for Pacific Ocean Island States and support this type of programming as a tool for effective delivery of resources to the Pacific SIDS and not an extra layer of bureaucracy. Please elaborate on the strategy. In the consultation that will be held at regional and national levels we request that NGOs and CSOs be included.
2. By 2030, the world's energy needs are expected to be 50% greater than today. At the same time, governments and scientists are calling for a 50% reduction in greenhouse gas emissions by 2050 to avoid serious changes in the Earth's climate system. Reconciling these demands while simultaneously adapting to the impacts of climate change is one of the fundamental challenges of the 21st century. The UNFCCC and most GEF recipient countries have highlighted the importance of addressing emissions from LULUCF and adaptation to climate change. Preparing for and responding to the projected impacts of climate change by all countries — developed and developing — will require integration of adaptation considerations into core decision- and policy-making processes at the international, national, sectoral and local level. Yet, the GEF4 strategy for climate change reflects a proposal, which says to us “business as usual”, i.e. no new funds for adaptation and no resources for mitigation for land use and forestry.

In light of this, what is the vision of GEF for the future of climate change funding?

3. How can GEF resources be packaged so that they are more effective to regions and focal areas more disadvantaged by the RAF?
4. Does the GEF have a public participation policy and, if so, what is this policy? If not, what is the GEF's vision for such a policy? Do you envisage moving NGOs from observer status to active engagement in the GEF, which we feel, will truly address the issue of ownership and incentive?
5. On the issue of institutional accountability and transparency, what is the present position of GEF?
6. We would like to talk about the program introduced within the GEF, Small Medium-Sized Projects (SMSP) piloted in Argentina. We believe that this program has worked very well, receiving more than 100% proposals although resources were enough to finance 20 projects. This demonstrates a strong demand for this type of program. What has happened to this initiative and how do you feel about



promoting this type of program as there are still areas where NGOs have better reach than government and these areas are certainly important for the global environment.

7. With regard to the “OMBUDSMAN” or Conflict Resolution Officer hired at the GEF, what is the role of this officer and how do NGOs interact with this person?
8. Whereas we welcome the “Five-Point Sustainability Compact to Increase Efficiency and Impact”, shifting from a project-driven to a programmatic approach by focusing strategies on a clear set of priority issues for the global environment, to what extent is the GEF equipped with the necessary capacity to deliver on its new mandate/vision in a sustainable manner?
9. Can the CEO provide an update on the process the SGP is undergoing in terms of graduation and the 30 new country applications? How does the GEF envisage financing these new entrants with both GEF and non-GEF sources and how does the GEF plan to safeguard its investment in the countries that are scheduled to graduate in 2010? Are full-sized projects going to be assessed in terms of cost efficiency, effectiveness and relevance with the same detail as SGP is now being assessed?
10. How can NGOs increase opportunities to participate in GEF4 and ensure that apart from being a country-driven program, it is also community driven?



ANNEX 2: PRESENTATIONS

GEF SGP Global Knowledge Management Platform Delfin Ganapin, Global Manager, SGP

Rationale: SGP KM

- Paradigm: “Thinking globally, Acting locally”
- SGP slogan: “Community Action, Global Impact”
--- Creating impacts beyond the communities where successful projects have been implemented
- Linking local action to global impact:
 - Replication
 - Up scaling
 - Mainstreaming

How: Effective codification and sharing of knowledge generated from SGP activities, and focused dissemination to target partners

SGP KM Systems

SGP Project Portfolio Database

- 8 500 projects, 85+ portfolios
- Information managed by SGP Country Staff, Monitoring by CPMT
- Available to the public: www.gef-sgp.org
- Project information, contact information, etc.
- Mapping, Photos, Video, Impact Indicator System

Project Photos

- More than 3 000 project photos
(By Project, Country, Region, Focal Area, Theme)
- Portfolio visually attractive
- Technologies
- Photo Monitoring (before/after)

Portfolio and Project Mapping

Snapshot of country portfolios and contact details of Country Office

Satellite Mapping of Projects

- Each project mapped with coordinates



- Using Goggle Earth and Maps
- Accessible on Website under Projects → Maps

Impact Assessment System Indicator System in Project Database

- Three types of indicators
 - Biophysical (FA) (e.g. ton of CO² emissions reduced)
 - Livelihood (e.g. number of households benefited)
 - Empowerment Indicators (e.g. number of women participated in project)
- Data recorded with each indicator
 - Quantitative (numeric baseline, target, achievement values)
 - Description of Method (Internal)
 - Description of Indicator Impact (Public) (required)

Project Knowledge

- Identification of good practice
 - Project database
 - Indicator System
 - M&E
- Project case studies / write-ups
- Thematic Portfolio Reviews
- Systematic collection of lessons learned and case studies
 - Using web 2.0 technology (wiki-style) for participatory collection, translation and authoring of case studies.
- Ex-post study: Randomized Evaluation of Project Sustainability and long-term impact
- All materials available for downloading.

Partner Knowledge

“Thinking Globally, Acting Locally: Experiences from NGOs and CBOs implementing

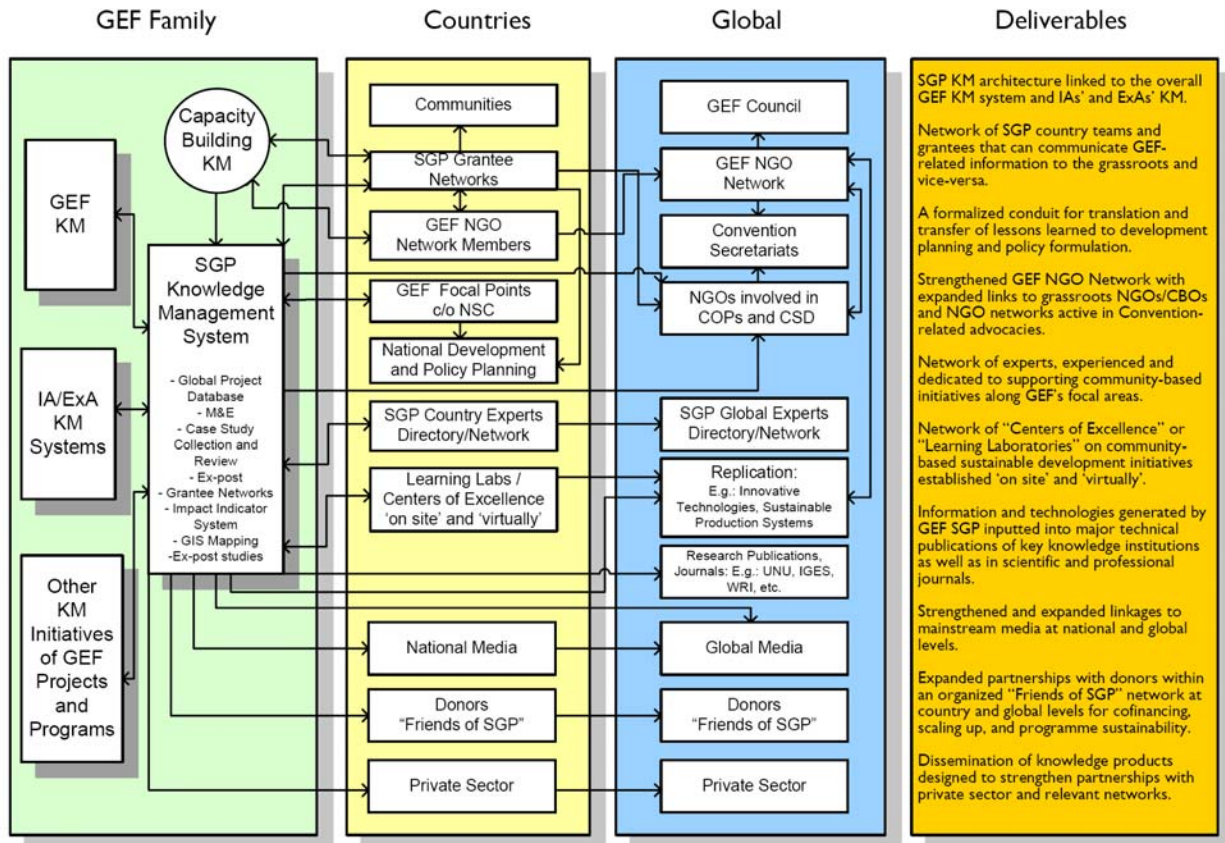
GEF projects: Participatory Video

- Participatory Video
 - For: Project Proposals, Monitoring, Knowledge sharing
 - Knowledge Sharing: piloting innovative new web-based participatory translation system

Experts Network

- More than 1 000 Steering Committee members
- SGP Country Staff
- 8 000 NGOs and CBOs
- Directories (website)
- Planned: Interactive Network for mapping expertise and experience.

- Need to have a purposive expansion of sharing and dissemination of knowledge to identified target partners



Linking with other KM Systems

- SGP KM architecture linked to the overall GEF KM system and those of IAs and ExAs, as well as with relevant projects and programs.

SGP KM Network for linking information to development planning and policy

- Network of SGP country teams and grantees that can communicate GEF-related information to the grassroots and vice-versa.
- A formalized conduit for translation and transfer of lessons learned to national development planning and policy formulation.

Map and Network Expertise; Establish Centers of Excellence

- Network of experts, experienced and dedicated to supporting community-based initiatives along GEF's focal areas.

Network of "Centers of Excellence" or "Learning Laboratories" on community-based sustainable development initiatives established "on site" and "virtually".



Dissemination of Knowledge to Research and Scientific Publications

Information and technologies generated by GEF SGP inputted into major technical publications of key knowledge institutions as well as in scientific and professional journals

Linking to Mainstream Media

- Strengthened and expanded linkages to mainstream media at national and global levels.

Sharing of Good Practice and Expanded Resource Mobilization with Donors

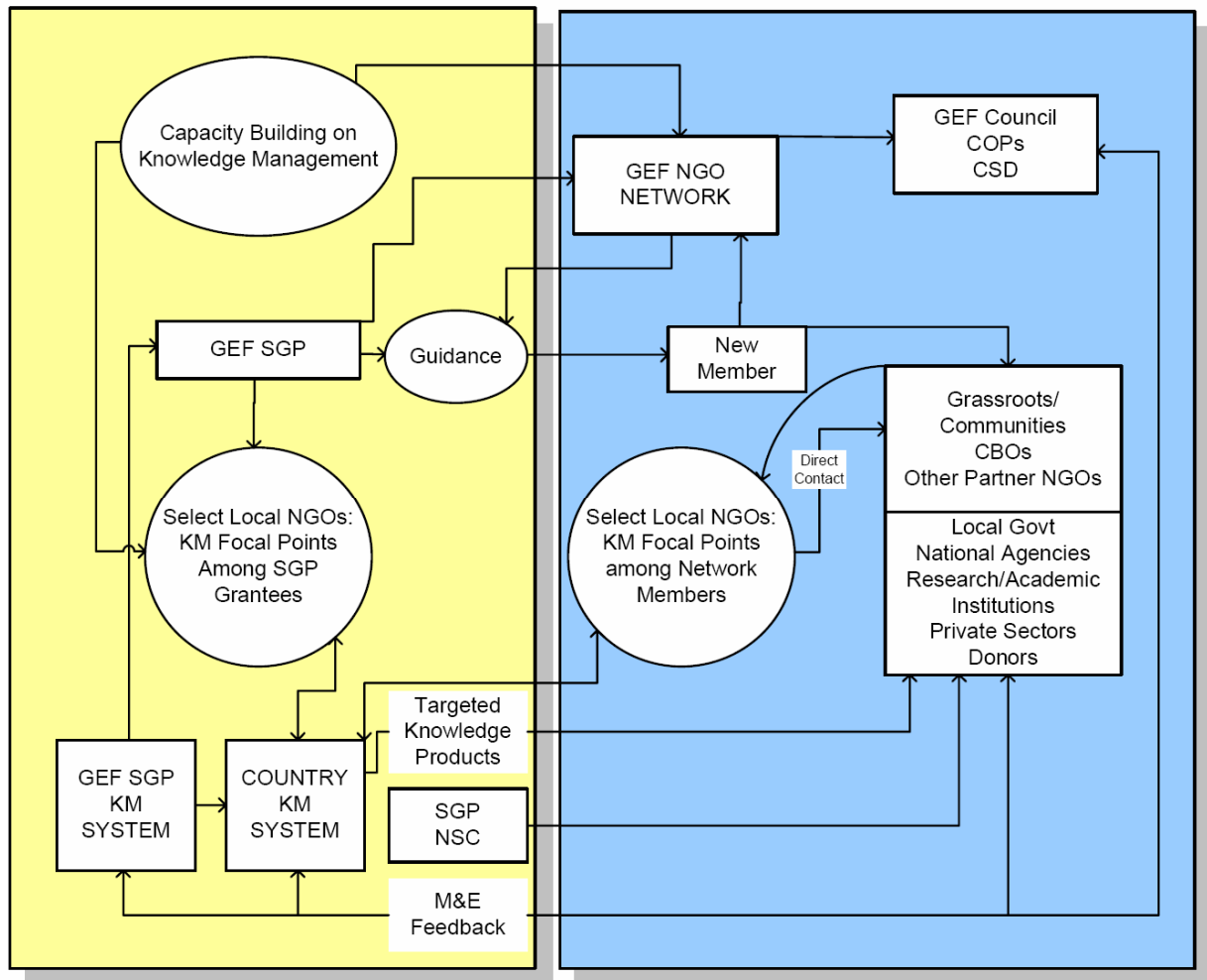
- Expanded partnerships with donors within an organized “Friends of SGP” network at country and global levels for sharing of good practice and for scaling up, replication and program sustainability.

Co-financing and Synergistic Sharing of Good Practice and Expertise with Private Sector

Dissemination of knowledge products designed to strengthen partnerships and synergies with private sector and relevant finance networks

Link with and strengthen GEF NGO Network

- Strengthened GEF NGO Network with expanded links to grassroots NGOs/CBOs and NGO networks active in Convention-related advocacies.



Next Steps

- Consultations with targeted partners
- Detailed activities, schedules and budget
- Final proposal
- Presentation in November 2007 GEF SGP Steering Committee Meeting.



Initial Experiences on the Role of Civil Society in GEF Multi-stakeholder National Dialogues in GEF 4 – Global Manager, GEF National Dialogue Initiative and Country Support Programs
Stephen Gold

GEF National Dialogue Initiative:

Objectives of Multi-stakeholder Dialogues

- Targeted multi-stakeholder dialogue processes:
 - Promote GEF Country Level Coordination (among national and local governments, NGOs, CBOs, private sector, etc. and synergies across GEF focal areas)
 - Raise Awareness (including identifying national strategies, processes and implementation challenges related to global environmental issues and their links to GEF Strategic Priorities)
 - Support Efforts to Mainstream (GEF priorities/strategies integrated into national planning frameworks)
 - Share Lessons Learned (Project design, implementation, partnerships, results on the ground.)

Process of Multi-stakeholder Dialogue

- Country-driven, multi-stakeholder, policy dialogues have targeted objectives and are assisted by GEF partners
- Provide forum for valuable feedback from broad-based group of stakeholders to maximize impact of GEF in the country
- Dialogues enable:
 - Review of Country's commitments under the Conventions
 - Identification/endorsement of Country's GEF priorities
 - Determination of local needs linked to global benefits
 - Ownership at country and local level
 - Opportunities to build partnerships and joint ventures (co-financing)
 - Opportunities for assistance, knowledge exchange among multiple sectors.

Role of NGOs in Recent Dialogues

- Honduras, Iran, Mozambique – Dialogues conducted
 - Active SGP participation highlighting community and civil society engagement
 - Forum for advocating civil society issues to government sectors and GEF Agencies
 - Civil society panel discussions linking local community concerns to global environmental benefits

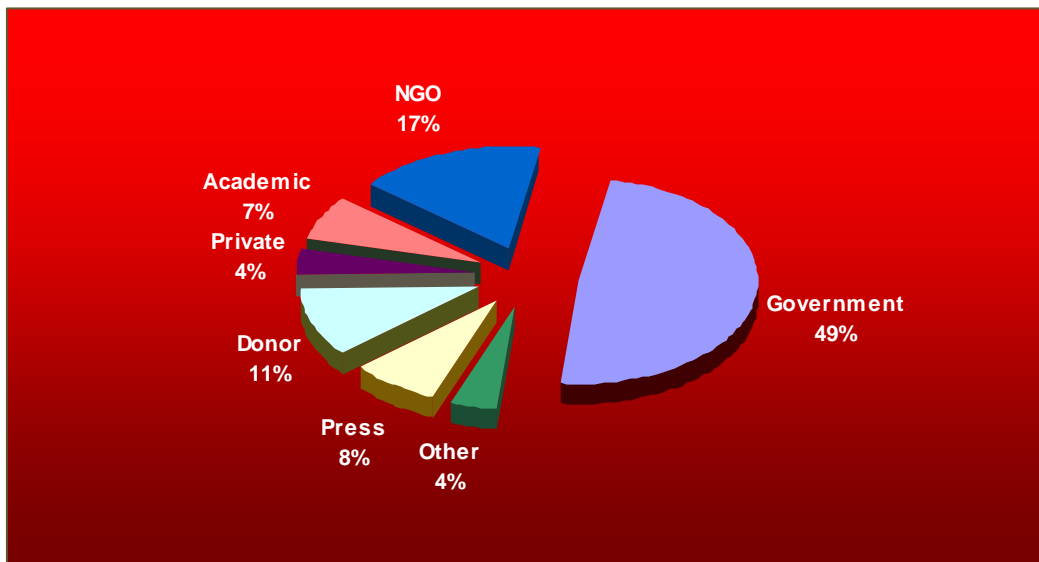


- NGO reps key in identifying project priorities (LD strategy in case of Honduras)
- Vietnam --- NGO rep chaired working group in BD
- Mozambique – civil society instrumental in organizing Dialogue on government request; civil society/private sector partnerships identified
- Iran --- role of local communities and civil society in project development and implementation with government further strengthened
- Honduras, Mozambique, Vietnam --- Site visits to SGP community projects
- NGO participation in national and international networks contributes to knowledge exchange.

Role of NGOs in Upcoming Dialogues

- Mauritius, Seychelles – later this month
 - Mauritius --- Opportunities and challenges in graduating from SGP
 - Seychelles --- Briefing on SGP and development of initial roadmap
 -

Multi-stakeholder Participation in 2007 Dialogues

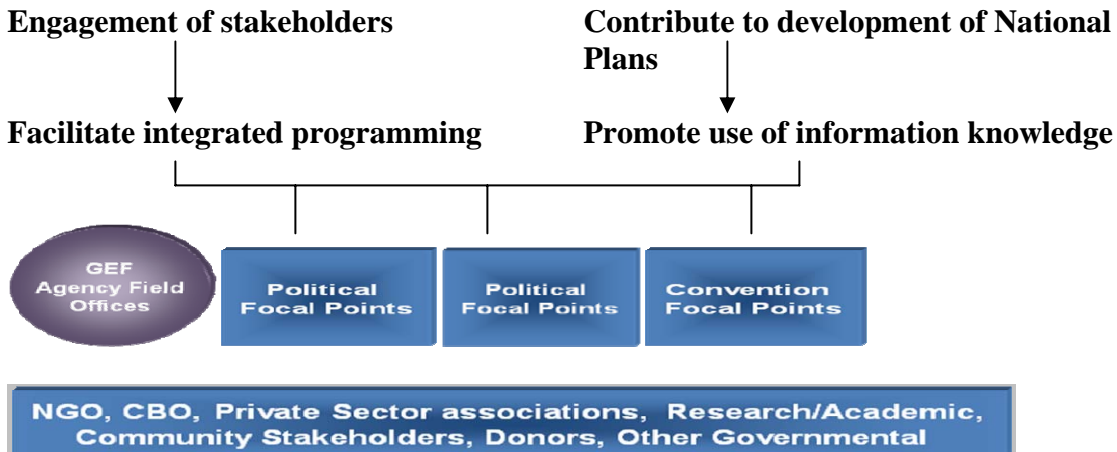




Country Support Program (CSP): Link to Civil Society

- Guidance on national coordination emphasizes:
 - FP outreach to national stakeholders from civil society – NGOs, CBOs, academic/scientific institutions, private sector
 - Greater public participation and responsiveness to local needs
- Outreach and communications
 - Greater opportunities for accessing knowledge and raising awareness
- CSP Knowledge Facility – an online resource www.gefcountrysupport.org

Country Support Program (CSP): Facilitation Role of Focal Points



What to Expect in the Future

- GEF-NGO Forum will continue to be kept informed of scheduling, agendas and list of participants of National Dialogue
- GEF NGO-Forum positions on programs conveyed through representation on Steering Committee
- Local NGOs encouraged to liaise with national GEF FPs re: civil society participation in National Dialogues
- CSP Knowledge Facility will continue to be updated with the latest information
 - will eventually replace the National Dialogue Initiative website



ANNEX 3: NGO CONSULTATION PROGRAM

GEF-NGO NETWORK CONSULTATION

Monday, 11 June, 2007, 9.00am- 17.00pm

The World Bank, H Auditorium, 600 19th Street, N.W. Washington, DC

09h00 – 09h30	<p>Registration and election of co-chair (NGO) Opening Remarks and Introductions by Co-Chairs: GEF Secretariat and GEF NGO Network</p>
09h30–10h30	Question and Answer Session with GEF CEO and Chair, Ms Monique Barbut
10h30 –11h00	Focal Area Strategies and Strategic Programming for GEF-4
11h00 – 11h30	New GEF Project Cycle
11h30 – 12h00	<p>Monitoring and Evaluation</p> <ul style="list-style-type: none"> • Highlights on Country Portfolios for the Philippines and Samoa • Technical Paper on the On-going GEF Small Grants Program Evaluation on SGP Management Cost – <i>GEF Evaluation Office</i>
12h00 – 12h30	Operational Guidelines for the Application of the Incremental Cost Principle
12h30 – 13h00	GEF Public Private Partnership Initiative (PPPI)
13h00 – 14h00	LUNCH
14h00 – 14h30	Capacity Building Activities for Civil Society and Future Plans - Program Manager, Senior Capacity Building Specialist, Corporate Affairs, Ravi Sharma
14h30 – 15h15	“DO NGOs BRING VALUE TO THE GEF?”: THE CASE OF CORREDOR MESOAMERICANO - PRONATURA Chiapas
15h15 – 16h00	GEF SGP Global Knowledge Management Platform -- A Proposal for Linking Lessons Learned of NGOs and CBOs to Global Environmental Governance (i.e. COPs) and Development Planning and Practice of Governments and International Donor Agencies, Delfin Ganapin
16h00 – 16h30	Initial Experiences on the Role of Civil Society in GEF Multi-stakeholder National Dialogues in GEF 4 – Global Manager, GEF National Dialogue Initiative and Country Support Programs, Stephen Gold