



FBOMS
Fórum Brasileiro de ONGs
e Movimentos Sociais
para o Meio Ambiente
e o Desenvolvimento



**A Strengthened Global Environment Facility
Responses to the Report of the High Level Panel on System Wide Coherence
Updated, 18 April 2007**

Problem Statement

Although financing has consistently been the highest developing country priority in international sustainable negotiations, the trends since 1992 have been dismal. In less than a decade, the hopes, trust and confidence built during the Rio process have dissipated, and the gaps between international commitment and delivery have grown. Former GEF CEO Mohamed El Ashry has stated that “significant as the Global Environment Facility (GEF) may be, however, it is not enough by itself in meeting the many demands for environmental sustainability in developing countries. The reality is that resources available for environmental protection and sustainable development in developing countries are small compared to the needs.”

There are growing concerns from developing countries and stakeholders that governance of the GEF has serious problems. The need to address the current GEF ‘governance deficit’ is highlighted by a number of concerns related to two sets of overarching issues.

The first set of issues deal with an **internal governance deficit within the GEF’s decision making processes and structures**. Among the concerns, primarily raised by developing countries, include: limited and restrictive participation in Council decisions and replenishment negotiations for developing countries; unbalanced voting procedures; limited political or legal leverage under the Conference of Parties to ensure compliance by the GEF Council; over politicisation of the GEF decision making process by certain countries; and the unbalanced implementation of the Resource Allocation Framework.

The second set of issues relate to a **governance deficit concerning the GEF’s broader role in financing for sustainable development discussions**. Concerns voiced by developing countries regarding their representation and voice within the GEF should not be separated from the broader discussion of the reform of the World Bank (WB) and International Monetary Fund (IMF). Second, the donor driven GEF reform measures are part and parcel of the international processes on financing for development such as the Monterrey Consensus. Concerns have been raised that while successful MEA funding arrangements exist, which include democratic replenishment negotiations, donor countries favour of the centralised control-model of the GEF which places decision making authority in hands of financing countries has over-shadowed debates on innovative financing mechanisms for sustainable development.

HLP Panel Recommendation

In their report the High Level Panel made the following recommendation: “Cooperation should be close among UNEP, UNDP, WMO, the Global Environment Facility (GEF) and the World Bank for building scientific and technical capacity, managing investment and infrastructure components, supporting adaptation measures and facilitating an effective integration of global environmental concerns into the development policy frameworks at the country level. GEF, the specialized funding instrument to help developing countries undertake projects and programmes that protect the global environment, has been replenished in 2006 — but will require a significant increase in resources to address future challenges. Its policy requirements and operational procedures need to be made much more simple and compatible with

the development framework at the country level. GEF should be strengthened as the major financial mechanism for the global environment. Its contribution in assisting developing countries in implementing the conventions and in building their capacities should be clarified, in conjunction with its implementing and executing agencies. A significant increase in resources will be required to address future challenges effectively.”

Civil Society Views

Financial Mechanism: “A sustainable funding mechanism is needed to provide increased, stable and predictable long-term funding to UN bodies dealing with the environment¹.”

“By 2008, UN Member States must establish a sustainable funding mechanism providing increased, stable and predictable long-term funding to UN bodies dealing with the environment, and expand the work of UN regional offices in facilitating capacity building, technology transfer, information exchange, assessment and monitoring².”

“National implementation of MEA is weak in many cases because of highly inadequate financial resources. OECD countries should finally designate 0.7% of GDP for ODA. All developed countries and developing countries within the realm of their possibilities should increase financial contribution for environment and sustainable development programmes³.”

“The UN should provide leadership and guidance on environmental issues and that a designated UN entity is given real authority and funding over environment policy.⁴”

Resource Levels: “The Global Environment Facility should be really strengthened as the major financial mechanism for the global environment. It really needs to have a significant increase in resources to address the challenge posed by environmental issues, which go a long way to affect social, health, and economic status of people⁵.”

“GEF needs an additional funding base that is not negotiated each year and that is sufficient for meeting the programme goals defined by the targets and objectives of the international commitments and UN agreements. This would require that GEF funding be increased by several orders of magnitude, thus specific means and mechanisms of new and innovative financing are needed in addition to the present means of funding. However, it must first be determined just how much funding is required in order to achieve full sustainability, to fully implement the environmental conventions, and to provide sufficient resources for access to basic services for all peoples. Then specific means must be developed and agreed to in order to fully meet these goals⁶.”

Accountability & Governance: “The Global Environment Facility (GEF) must be politically set up and validated by the UN General Assembly as the UN’s central multi-year financing mechanism for the implementation of UN’s environment agenda at global, regional and national levels. We only support such a move since its overall governance, modalities and operations are clearly re-defined, agreed upon by UN General Assembly, particularly in giving its General Assembly the power and political authority it should have so far⁷.”

¹ Submission by ANPED to the Panel Consultation with Civil Society (June 2006); <http://www.stakeholderforum.org/policy/ieg/SubmissionsToThePanel/ANPED.pdf>

² Submission from WWF, ANPED and Greenpeace International to the Panel Consultation with Civil Society (June 2006); <http://www.stakeholderforum.org/policy/ieg/SubmissionsToThePanel/WWFANPEDandGreenpeace.pdf>

³ Submission by the Brazilian Forum of NGOs and Social Movements for the Environment and Development (FBOMS) to the Panel Consultation with Civil Society (June 2006); <http://www.stakeholderforum.org/policy/ieg/SubmissionsToThePanel/BRAZILIANFORUMOFNGOS.pdf>

⁴ Submission from the World Business Council on Sustainable Development (January 2007)

⁵ Submission from Hopelink International (January 2007)

⁶ Submission from World Citizen (January 2007)

⁷ Submission from JEA- The Ecological Youth of Angola (January 2007)

“The Panel recommends that the Global Environment Facility (GEF) should be strengthened as the major financial mechanism for the global environment. Significant reforms of the GEF are necessary before it can take on this role. Civil society access to funding must be improved, as must representation of developing countries in the GEF’s decision-making processes. A review of GEF governance must be undertaken by a multi-stakeholder network that includes governments, civil society, and intergovernmental organisations.⁸”

System-wide Coherence: “There is a need to further investigating the role of the GEF in relation to strengthening and/or creating a more coherent institutional framework of international environmental governance. Similarly consideration of the relationship between the GEF and the Implementing Agencies, as part of the broader General Assembly process on system-wide coherence and UN structures at the country level, is required. A new Council would have a greater authority to address issues related to the financing of sustainable development, including the role and relationship of the Global Environment Facility. A particular issue for the GEF is the strengthening of the Implementing Agencies. Further consideration is required to address the how the GEF can be used as the fund beyond the conventions and cover the needs identified for addressing sustainable development, particularly those identified by the CSD⁹.”

Accessibility to Local Government and Civil Society: “The GEF needs to be made more accessible to local government and other local actors in order to target strengthening of local capacity and expertise in the environmental sphere. This could include specific funds targeting build-up national local government associations’ in-house environmental capacity, e.g. to support national / regional training activities, peer-to-peer learning and mentoring programmes which are aimed at local government and other local stakeholders¹⁰(LGIB). Transferring budgetary responsibility and planning to local level (e.g. direct funding of local Agenda 21)¹¹. The GEF process must be empowered, but with an approach of more flexibility for the civil society activities¹².”

“The Cape Town Declaration of the GEF NGO Network specifically called for a new GEF policy to address the full participation of indigenous peoples in the GEF¹³.”

⁸ Reforming International Environmental Governance: Statement representing views expressed at two meetings of stakeholders held at UNEP GC 2007. It does not represent a consensus view.

⁹ Submission by Stakeholder Forum to the Panel Consultation with Civil Society (June 2006)

¹⁰ Submission from Local Government International Bureau (January 2007)

¹¹ Submission from CAALD (January 2007)

¹² Submission from CERAD (January 2007)

¹³ Cape Town Declaration of the GEF NGO Network (30 August 2006); http://www.gefweb.org/3rd_assembly/NGO_Network_Declaration.pdf